

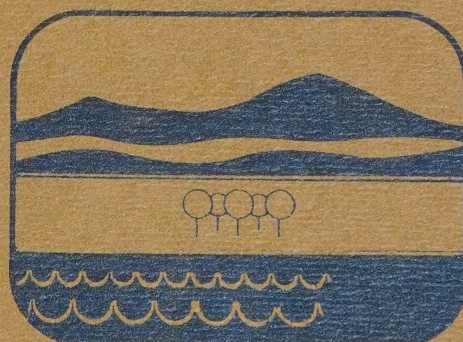
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# HOUSING ELEMENT

INSTITUTE OF GOVERNMENTAL  
STUDIES 1982

APR 20 1982

UNIVERSITY OF CALIFORNIA



FAIRFIELD GENERAL PLAN







HOUSING ELEMENT OF THE FAIRFIELD GENERAL PLAN

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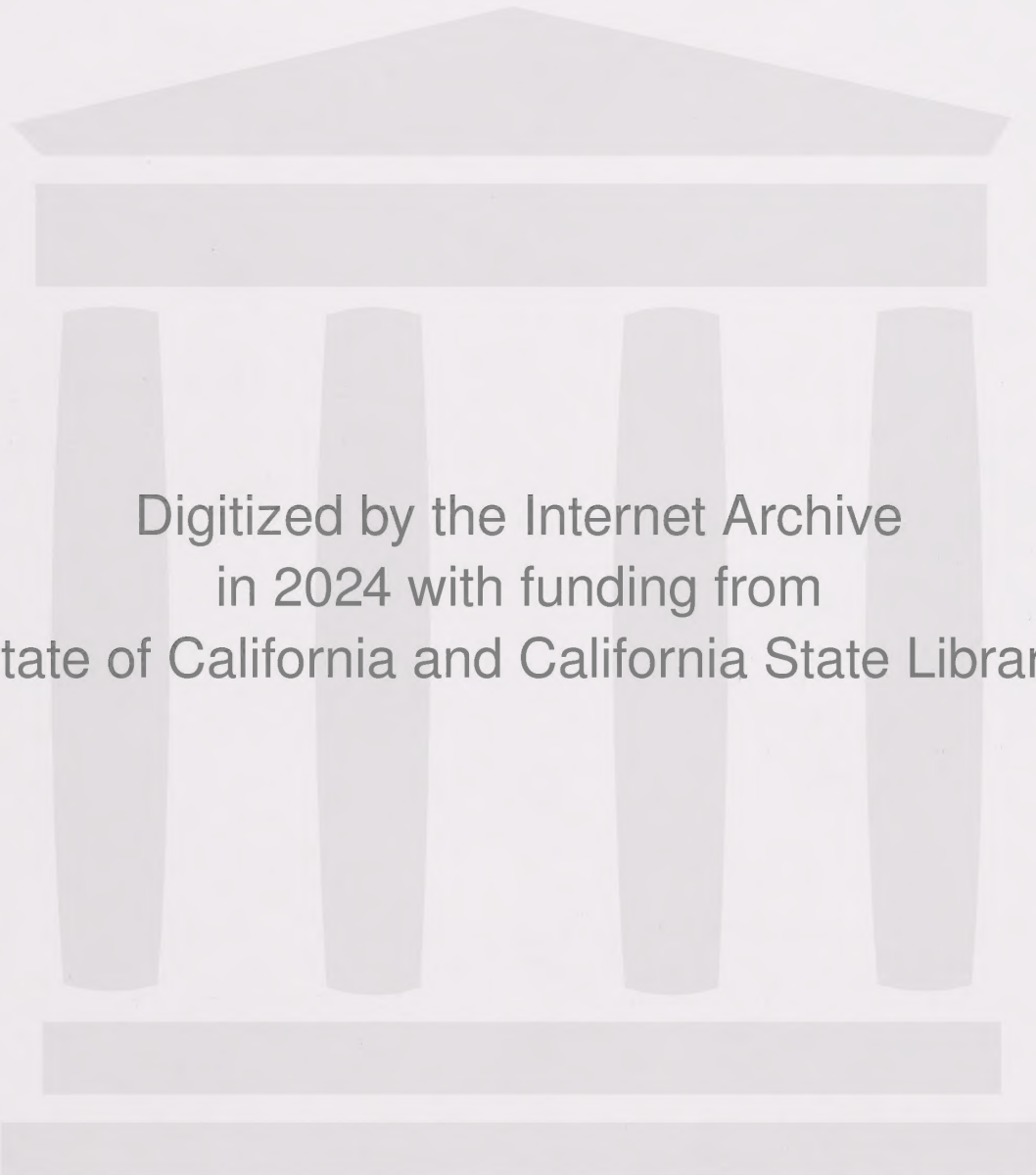
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Adopted by Resolution No. 79-11 of the  
Fairfield Planning Commission on October 24, 1979  
and amended by Resolution No. 81-65 on August 12, 1981

Adopted by Resolution No. 79-207 of the  
Fairfield City Council on December 4, 1979  
and amended by Resolution No. 81-232 on September 1, 1981



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## **SUMMARY OF MAJOR FINDINGS OF THE HOUSING ELEMENT**

The Housing Element finds that in common with most growing communities in California, Fairfield has a predominance of single family over multi-family housing units. Of 15,739 housing units in Fairfield, over 10,000 are in the single-family category. Most of Fairfield's housing is of recent origin with the stock almost equally divided between owned and rented units.

### **HOUSING NEEDS AND PROBLEMS**

In Common also with most growing communities in California, Fairfield currently has a number of housing problems. Vacancy rates, for example, are down to 2.7% of the City's total stock. While the income of local residents has been rising at 6 1/2% per year, the cost of owner occupied housing has been rising at 9 1/2% per year making it increasingly difficult for a growing number of low and moderate income persons to purchase homes. In addition to this, the element finds that over 20% of Fairfield's residents are living in substandard housing, in overcrowded conditions, or are paying an unreasonable amount of their income for rent.

The Element finds that the City's housing stock is generally sound and costs less than that found in most San Francisco Bay area communities. It appears, however, that something in the order of 3,000 housing units are required now to meet the needs of Fairfield's low and moderate income persons. The Element finds further that, in order to keep pace with growing local populations and an expanding local job market, an estimated 1,100 new housing units may be required per year for the foreseeable future.

## AN ACTION PROGRAM

The Housing Element recommends an action program to meet a substantial portion of the City's housing need. In the program, policies from the General Plan Land Use Element and the Cordelia Area Specific Plan that appear to be applicable to the Housing Element, are described to maintain consistency. In addition, the program contains ten policy recommendations proposed by the Citizen's Housing Element Committee ranging from conservation programs to tax exempt mortgage financing. Each policy is described including the need it is designed to meet, measures for its implementation and the objectives it should accomplish. The ten recommended policies are described below in outline form.

### POLICY NO. 1, TAX EXEMPT MORTGAGE FINANCING

The Housing Authority and the Redevelopment Agency shall jointly implement programs for tax exempt mortgage financing of rental unit development and for home purchase by persons of low and moderate income.

This citywide program shall rely on local savings and loan institutions to originate and service mortgages and shall be restricted to owner occupied dwellings.

Objective: 60 single family and 60 rental units per year 1979/1990.

### POLICY NO. 2, CHFA MORTGAGE FINANCING

The City shall act to enable Fairfield residents to benefit from California Housing Finance Agency (CHFA) Programs.

The City shall work with interested developers in obtaining CHFA financing for multi-family apartment projects.



Objective: 90 units for home ownership, 96 units for home improvement and 160 units for multifamily.

POLICY NO. 3, REFERENDUM FOR ARTICLE 34 AUTHORITY

To permit the Housing Authority to finance, construct or acquire housing for low-income families, elderly or handicapped, the City's policy will be to place on the ballot a referendum in accordance with Article 34 of the California Constitution, in instances when the City Council decides that a vote of the people is necessary and appropriate.

When legally required, the City shall sponsor referenda for housing programs to benefit families and elderly and handicapped persons.

Objective: Not quantifiable at this time.

POLICY NO. 4, MIXED USE HOUSING

The City shall provide for a variety of dwelling types, including apartments, townhouses, condominiums, mobile homes and single-family homes at densities which:

- A. Maximize environmental quality;
- B. Minimize land requirements and costs of public utilities and services per housing unit; and
- C. Maximize market accessibility by families in all income brackets.

For any housing development proposal which exceeds 15 acres in gross area and where economical site planning for various uses can be reasonably achieved, the City shall require a mix of housing types and price which best addresses the housing needs of the City, except in areas designed in the General Plan for 2.5 or less units per gross acre. In addition, the City may, in conjunction with the above, require that priorities be set for the construction of certain critically needed housing units.

Objective: Not quantifiable at this time.

#### POLICY NO. 5, HOUSING CONSERVATION

The City and housing authority shall continue to provide assistance to the City residents in designated neighborhoods to improve the condition of their homes.

The City shall encourage City-wide voluntary home improvement and in addition, forestall further deterioration in areas of decline through its existing housing conservation program and the provision of technical services, low interest and deferred loans and grants and the necessary public facilities.

Objective: 15 to 30 units per year currently with 60 per year anticipated for the future.

#### POLICY NO. 6, INSPECTION PROGRAM

The City shall enact a voluntary pre-sale inspection program and a rental occupancy information program.

The City shall develop means whereby home buyers are made aware of their rights to require pre-sale inspections. In addition, apartment owners would be required to provide tenants with information concerning the obligation of owners to maintain decent, safe and sanitary units.



Objective: Approximately 1,500 single-family units per year could benefit. In addition, over 3000 multi-family units could benefit.

POLICY NO. 7, HOUSING COUNSELING

The City shall continue to provide housing counseling to Fairfield residents.

The City shall retain an agency to provide housing counseling services to Fairfield residents assisted by a citizen advisory committee.

Objective: Assistance to 200 families per year.

POLICY NO. 8, HOUSING DEVELOPMENT FUND

The Housing Authority, in conjunction with the redevelopment agency, shall establish a housing development fund to assist the development of housing units for low and moderate income families.

City agencies shall bank land, offer favorable mortgage financing, and provide grants and subsidies to encourage housing construction for low and moderate income persons.

Objective: Not quantifiable at this time.

POLICY NO. 9, SECTION 8 RENTAL SUBSIDY

The housing authority and City shall continue to enable Fairfield residents to benefit from the Section 8 housing program.

The City shall encourage private developers to qualify for rental subsidies, avoid concentrating subsidized units in newly constructed complexes, disperse subsidized units throughout the community and subsidize rehabilitation efforts.

Objective: 105 units of existing housing, 140 units of new housing, and 50 rehabilitated housing units.

POLICY NO. 10, CONDOMINIUM CONVERSIONS

The City shall regulate the conversion of rental housing to condominiums to insure that such conversions do not create a shortage of low and moderate income housing. The City shall adopt an ordinance under which conversions of rental housing will be permitted or denied, in order to achieve the goal of retaining an adequate supply of units for low and moderate income families. The ordinance shall also establish requirements to protect the rights of renters and buyers.

Objective: Not quantifiable at this time.



# INTRODUCTION

## THE NATURE OF THE HOUSING ELEMENT

### A GENERAL PLAN COMPONENT

In essence the Housing Element for the City of Fairfield is only one of a number of individual components which constitute the Fairfield General Plan. In addition to the Housing Element these include the general plan elements for:

- Land Use
- Open Space and Conservation
- Water Sewer Drainage
- Scenic Roadways
- Health and Safety
- Transportation and Circulation
- Recreation
- Energy

Each element is designed to provide guidance in a certain area of the City's growth and development. Together the elements provide a comprehensive view of the goals, programs and policies that should be employed to shape Fairfield during the next twenty-one years. With the exception of the Recreation, Energy and Water Sewer Drainage Elements, each of the above elements is required by state law.

Further, the General Plan includes a specific plan for the new Cordelia area urban growth center. This plan, entitled the Cordelia Area Specific Plan, is designed to provide special development regulations for the Cordelia area and, taken together with the Land Use Element for the established Fairfield urban growth center, constitutes the land use program for lands in and proposed to be part of the City of Fairfield.

In addition to these components, the Plan includes a number of other special documents that should be referred to by the readers of this element.

#### GENERAL PLAN EIR/ENVIRONMENTAL ASSESSMENT

The General Plan also incorporates the recommendations of an environmental impact report. The findings and conclusions of the Plan are analyzed in this document to assess the impacts they might have on the planning area environment and mitigation measures are recommended in the form of general plan policies that are to be implemented to alleviate adverse environmental impacts that can occur as the Plan is carried out. The potential impacts that can result are summarized as a preface to the policies that pertain to the City's Housing Action Program in the pages that follow. The source for this information is the document called "The Fairfield General Plan EIR/Environmental Assessment" that has been developed to serve as a source of technical information concerning the General Plan and as an assessment of local environmental conditions.



## THE GENERAL PLAN DIAGRAM

The General Plan Diagram is a graphic representation of the urban land uses both existing and proposed in the Fairfield General Plan. While the diagram is the instrument most often referred to by the public, it cannot be interpreted fully without reference to the remaining parts of the general plan, including the land use element. Only those proposals appear on the General Plan Diagram which lend themselves to graphic description.

A note should also be made concerning the timing of the development of the land uses shown on the diagram. All such uses proposed within the Urban Limit Line are illustrated, however, the full, total development, or build out of the urban land uses shown is projected to occur beyond the year 2000.

## GENERAL PLAN FINDINGS

To provide summary information on the content of the General Plan, a document called "The Fairfield General Plan Findings and Conclusions" has been made available for general public distribution. This report includes the General Plan Diagram, General Plan goals and assumptions, implementing measures, major findings and conclusions of the Plan and the policies of each General Plan element.

## **PURPOSE OF THE HOUSING ELEMENT**

The housing supply is one of the most important components of a community. Besides being one of Fairfield's most valuable physical resources, the housing supply strongly influences the size of the population and its distribution in age and income.

For this reason, this housing element is an important part of the Fairfield General Plan. It gives an inventory of supply and it describes housing need. It defines the goals of the community with regard to maintaining and enhancing housing quality and diversity of housing opportunity. It outlines a housing action program designed to assure that these goals are realized. The housing element is the major statement of housing policy which guides all housing decisions in Fairfield.

### CONTENT

The first section of the housing element contains a documentation of housing and population characteristics of the City of Fairfield. Section two contains an analysis of the housing problems faced by the current population and the constraints which operate to impede the solution of housing problems. This section also discusses the magnitude of the need for housing in the future. The third section contains Housing Goals and the policies and action programs which will address the identified needs.

### PROCESS

The housing program was developed by the Housing Element Committee, a nine member citizens group appointed by the Fairfield City Council. Representing different segments of the community, their work was invaluable in researching issues, considering alternatives, soliciting public comment, and making recommendations for policies and programs to the Planning Commission and City Council.

In addition, a staff team worked with the Committee throughout the development of the Housing Element program. The team represented the Fairfield Housing Office, Redevelopment Services, and Department of Environmental Affairs.



## REVIEW AND UPDATE

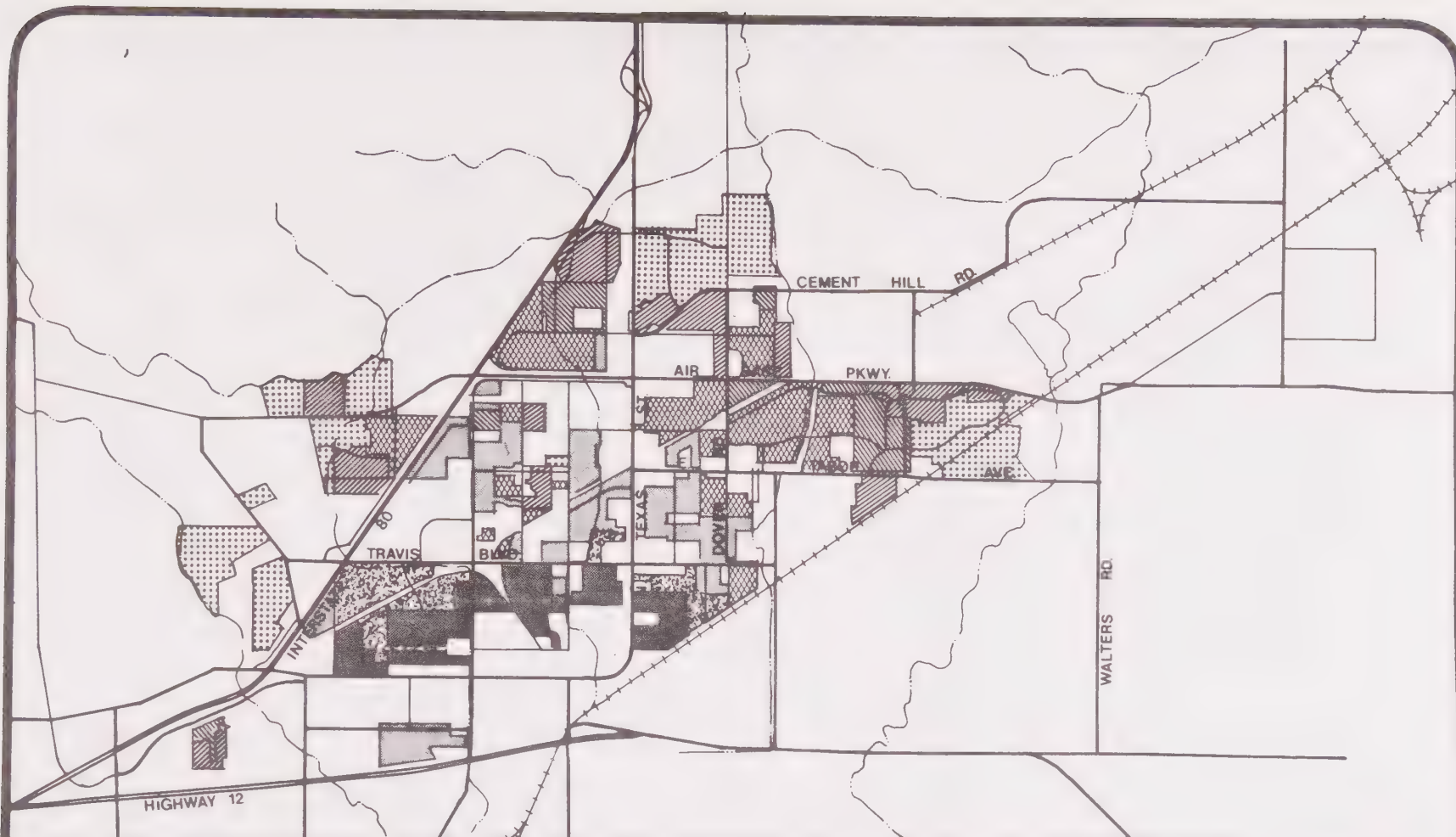
Because of the dynamic nature of the local planning process, periodic review and revision of the housing element is essential. Reevaluation of the housing program will be needed on an annual basis to allow for change, occurring in the condition of Fairfield's housing supply and the needs of its residents. A printed update of the Housing Element should be prepared in 1981-1982 after the 1980 Census data is available.

### **SECTION ONE**

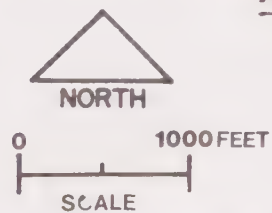
## **HOUSING AND POPULATION CHARACTERISTICS**

### **THE HOUSING SUPPLY**

In order to have an understanding of Fairfield's housing situation, it is important to identify the characteristics of the present housing stock. Housing in the City of Fairfield plays an important role in meeting the demand for shelter in the immediate market area. In 1978, Fairfield's 15,739 housing units made up approximately three-fourths of the housing in the Fairfield-Suisun area. There are approximately 3,000 housing units in the City of Suisun and 1,000 units in unincorporated county areas adjacent to these two cities. In addition, Travis Air Force Base provides 1,995 housing units for base personnel.



**CITY OF FAIRFIELD GENERAL PLAN ————— HOUSING ELEMENT**  
**Approximate Age of Housing Built by Subdivision Development**



YEARS					
	UNDER 4		10-14		OVER 24
	4-6		15-19		
	7-9		20-24		

**Figure 1**

**Figure 1**

**FAIRFIELD GENERAL PLAN**



## TYPE OF HOUSING

There is a mix of housing type in Fairfield, but single-family homes, comprising 70% of the total households, predominate. Multiple housing (2 to 4 units) make up 10% and apartments (5 plus units) 15% of the housing stock. The remaining 5% are mobile homes. This relationship of single-family to multiple units has remained fairly constant since 1970. Owners occupy 58% of the housing units in the City of Fairfield.

## AGE OF HOUSING

The fact that housing in the Fairfield area is generally of recent origin indicates that it has potential for meeting shelter needs for many years. In 1977, almost half of the housing in the City was less than 10 years old. There are areas within Fairfield, however, where older housing exists. Some 25% of the housing in 1977 was over 21 years old and is located primarily in the 3 census tracts surrounding Fairfield's Business District. (Location of Housing by Age is shown on Figure 1.) These older homes provide some of the lowest cost housing in Fairfield today. Some of these older homes have been identified as being historically and/or architecturally significant.<sup>1</sup>

## CONDITION OF HOUSING

Due to their age, these homes also tend to be the most deteriorated homes in Fairfield. A neighborhood comparability analysis was done by the Department of Environmental Affairs in August 1975 based on comparison of 1960 and 1970 census data on housing condition. It identified the three census tracts surrounding the Central Business District, 2525, 2524.01 and 2524.02 as being in a stage of clear decline.

The 1970 U.S. Census defines substandard housing as units lacking one or more plumbing facilities and/or with all plumbing facilities but having substandard heating. In 1978, it was estimated that Fairfield had 704 substandard homes representing 4.6% of the total housing supply. These deteriorated units can nearly all be rehabilitated. Less than 1% of the housing stock cannot be returned to liveable conditions according to the Fairfield Building Inspection Division.

#### COST OF HOUSING

Fairfield has experienced escalating housing costs in recent years, although not as dramatic as in some communities in the Bay Area. According to the market trend sample compiled by the Northern California Real Estate Research Council in October 1977, the average price of a single-family residence in the San Francisco Bay Region was \$75,172. The Council appraises four representative homes in Fairfield every six months to assess cost increases. The average increase in market value of these 4 homes from October 1970 to October 1977 was 90%, from \$26,250 to \$50,000. (See Table I.) This \$50,000 average market price applies to all resale housing in Fairfield in early 1978 according to a review of the multiple listing service and discussions with local realtors. New housing is selling in the range of \$50,000 - \$90,000. Average sale price for mobile homes range from \$25,000 - \$35,000.

Cost escalations have also occurred in rental housing. The median rent in Fairfield in 1975 was \$165. This represented a 30% increase from 1970 rents. The increase was one of the lowest in the Bay Area which showed a 62.7 increase in median rents from 1970 to 1975.



The Housing Referral office at Travis Air Force Base keeps records of apartment rental costs for Fairfield that show that in Aug. 1978, the median rent for unfurnished apartments was \$198; median for a one bedroom was \$172, for a 2 bedroom \$193, and for a 3 bedroom \$228.

Data compiled by the Fairfield Housing Authority for larger families showed that in March-June 1978, average rent for an available 3 bedroom home was \$339, and for a 4 bedroom home, \$367.

TABLE I  
MARKET VALUE OF FOUR HOMES  
FAIRFIELD, 1970 AND 1977

	<u>Market Value</u>		<u>Percentage</u>
	<u>Oct. 1970</u>	<u>Oct. 1977</u>	<u>Increase</u>
<u>House A</u>			
Built 1964	25,000	50,000	100
1,566 Sq.Ft.			
4 bdrm, 2 bath			
<u>House B</u>			
Built 1959	28,000	55,000	96
1,652 Sq.Ft.			
4 bdrm, 2-1/2 bath			
<u>House C</u>			
Built 1964	27,000	51,000	89
1,577 Sq.Ft.			
3 bdrm, 2 bath			
<u>House D</u>			
Built 1950	25,000	44,000	76
1,611 Sq.Ft.			
2 bdrm, 1 bath			

Source: Northern California Real Estate Report, October 1977, Vol. 29, No. 4

## VACANCY IN HOUSING

One consequence of Fairfield's lower housing costs relative to other parts of the Bay Area is that the vacancy rate in the city has been decreasing steadily from its 8.3% level in 1973 to 2.7% in 1978, with owner vacancy at 2.5% and rental vacancy at 3.0%. Generally an overall vacancy rate under 4.0% is considered an indication of a "tight" housing market condition.

## NEW DEVELOPMENT OF HOUSING

The Fairfield General Plan Land Use Element defines two scenarios of future possible growth for Fairfield. The "low" estimated scenario is based on building permit data for the past 13 years. It defines 600 housing units as the minimum number the city can expect to be built each year to 1985.

The "high" estimated scenario projects 1,100 units per year. This is based on the maximum number of permits issued annually over the last three years and the high level of development projects pending currently. Figure 2 shows building permit data from 1967-1978.

As of November 1978, 3,084 housing units in major and minor subdivisions had tentative or final map approval. It is not possible to predict precisely when or even whether all these units will be constructed. However, it is significant that 72% of the units applied for are single family, 8% are zero lot line, 19% are multifamily, and 1% are duplex.

The Fairfield and Cordelia urban growth centers combined contain a total of 6,145 undeveloped acres available for residential use. Maximum development of these areas at existing densities would result in a total of 31,097 additional dwelling units in incorporated Fairfield.



## EXISTING SUBSIDIZED HOUSING

The Fairfield Housing Authority administers two programs which provide rental assistance to low and moderate income families, elderly and handicapped. Both of these, the Section 23 and Section 8 rental subsidy programs, are funded by the U.S. Department of Housing and Urban Development. In each program the tenant pays 25% of his or her adjusted gross income for rent, and HUD pays the balance. A total of 407 households are being assisted under these two program.

Sixty-four units of new rental housing for low and moderate income families were constructed in 1979, and will have rental subsidies and are expected to be completed by July 1, 1979.

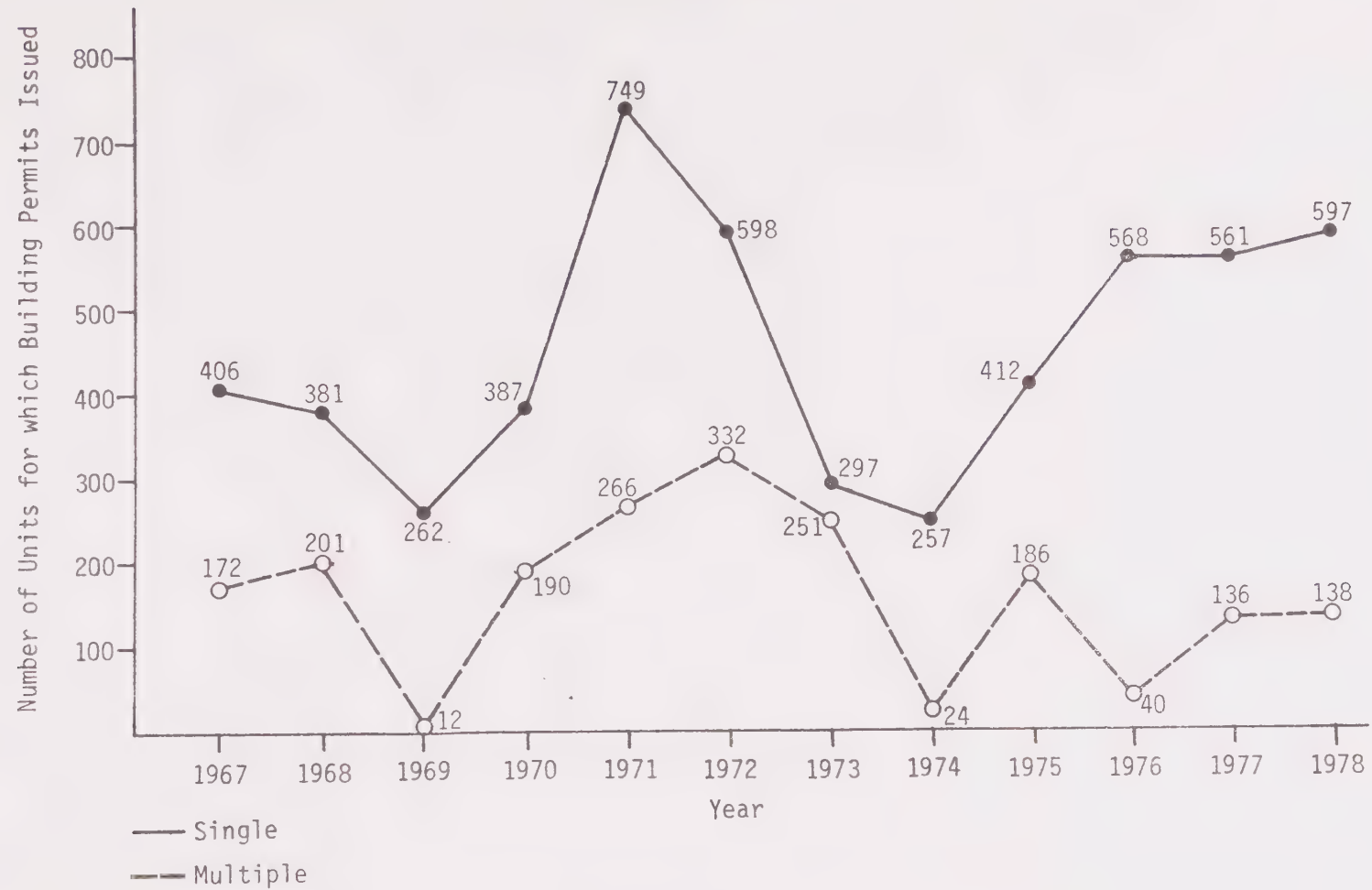
Two local apartment complexes, with a total of 240 units, have received Federal subsidies under the Section 236 program. This allows the reduction of mortgage interest rates and in turn lower rental rates.

A small number of single-family homes have been constructed in Fairfield with reduced mortgage interest rates under the Federal Section 235 program. In addition, as many as 80-90% of the purchasers of resale housing in Fairfield receive mortgage rate reductions under the FHA, VA, or Cal Vet. programs.

The largest Federal housing subsidy program nationwide is available to owners of housing, regardless of income. This is because homeowners may deduct mortgage interest and property tax payments from their gross income when computing taxes.

FIGURE 2

FAIRFIELD BUILDING ACTIVITY 1967-1978



FAIRFIELD GENERAL PLAN



## MANUFACTURED HOUSING

A type of dwelling unit which has the potential of providing lower cost housing is manufactured housing. Manufactured housing includes mobile homes and factory-built housing.

Manufactured housing can achieve cost savings compared to site-built housing. The amount of skilled labor needed is less, partly due to the use of automatic equipment in the cutting and assembly processes. Much of the work is done in the factory by assemblers, at a lower hourly pay scale than would be paid to journeymen in the construction trades. The cost of material is less due to the fact that there is less waste and pilferage because of greater control over the entire construction process. Also, with manufactured housing, the time it takes to complete a unit is greatly reduced since factory work time is not lost in bad weather. Manufacturers have estimated that they can produce homes comparable in design and quality to site-built homes at roughly 20% to 40% less in price, not counting the cost of land, site improvements or development fees. The more of the home that is produced in the factory, the higher the percentage of savings.

A recent survey of manufactured housing sales prices indicates that costs vary between \$25.00 and \$40.00 a square foot exclusive of land. A typical 2 bedroom, 2 bath without garage unit with 1,440 sq. ft., costs \$41,500.00. A more deluxe 2 bedroom, 2 bath home with 1,568 sq. ft. costs \$61,950.00. Single-family homes are now being built in Fairfield at between \$40.00 and \$50.00 a square foot which includes land costs. Therefore although manufactured housing does cost less, the difference in price from conventional housing would not be nearly as great as in other cities closer to the Bay Area.

The cost of mobile homes in parks also vary. The re-sale of a mobile home can cost between \$12,500.00 and \$45,000.00 depending upon the condition of the mobile home and the park in which it is located. New mobile home prices vary according to the size and amenities of the unit. The base price for a single-wide mobile home will be approximately \$15,000 and for a double-wide, \$28,000.00. Monthly rentals for space at a mobile home park cost approximately \$150.00 a month, not including gas and electric costs.

The City of Fairfield Municipal Code does not distinguish between factory-built and stick-built housing; therefore, there are no special provisions for that type of manufactured housing.

There are currently 844 spaces in mobile home parks within the City. In the past, mobile homes could only be located in established parks. However, the City recently amended its Development Regulations in compliance with SB 1960. City ordinance now considers a mobile home, which has been certified by the State of California and placed on a permanent foundation, as a single-family dwelling. Accordingly, it may be located on any lot zoned for a single-family dwelling. The ordinance makes no distinction between manufactured and conventional housing, with respect to development standards and design review requirements.

## THE PEOPLE

### POPULATION OF FAIRFIELD

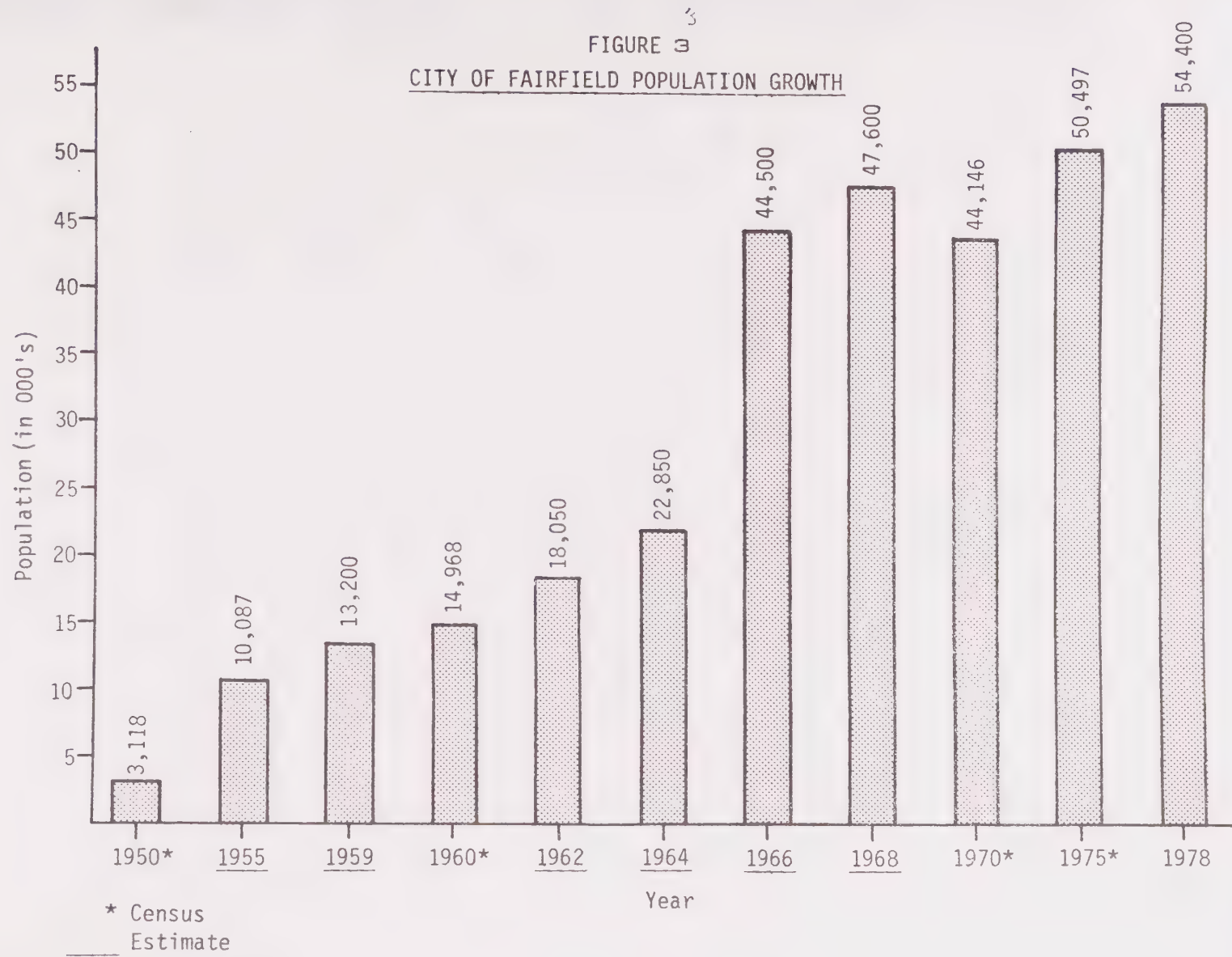
The type of housing which is built in a community reflects the character of the people who live there. Recognition of the present population characteristics allows for an analysis of the capacity of the existing housing supply to provide all social and economic segments of the community with housing. It also identifies the need for actions to make future housing available to all persons in the community.

There are 55,500 people currently living in the City of Fairfield. Approximately 10,000 of these persons reside on Travis Air Force Base. (Figure 3 shows the increase in local population from 1950 through 1978.) The average household, according to the 1975 census, was made up of 3.02 persons. As might be expected, families living in single-family homes are larger and averaged 3.48 persons in 1975. Large families of 5 or more persons made up 16% of the families. Of the total 13,105 households in 1975, 16% were headed by females.

### AGE OF POPULATION

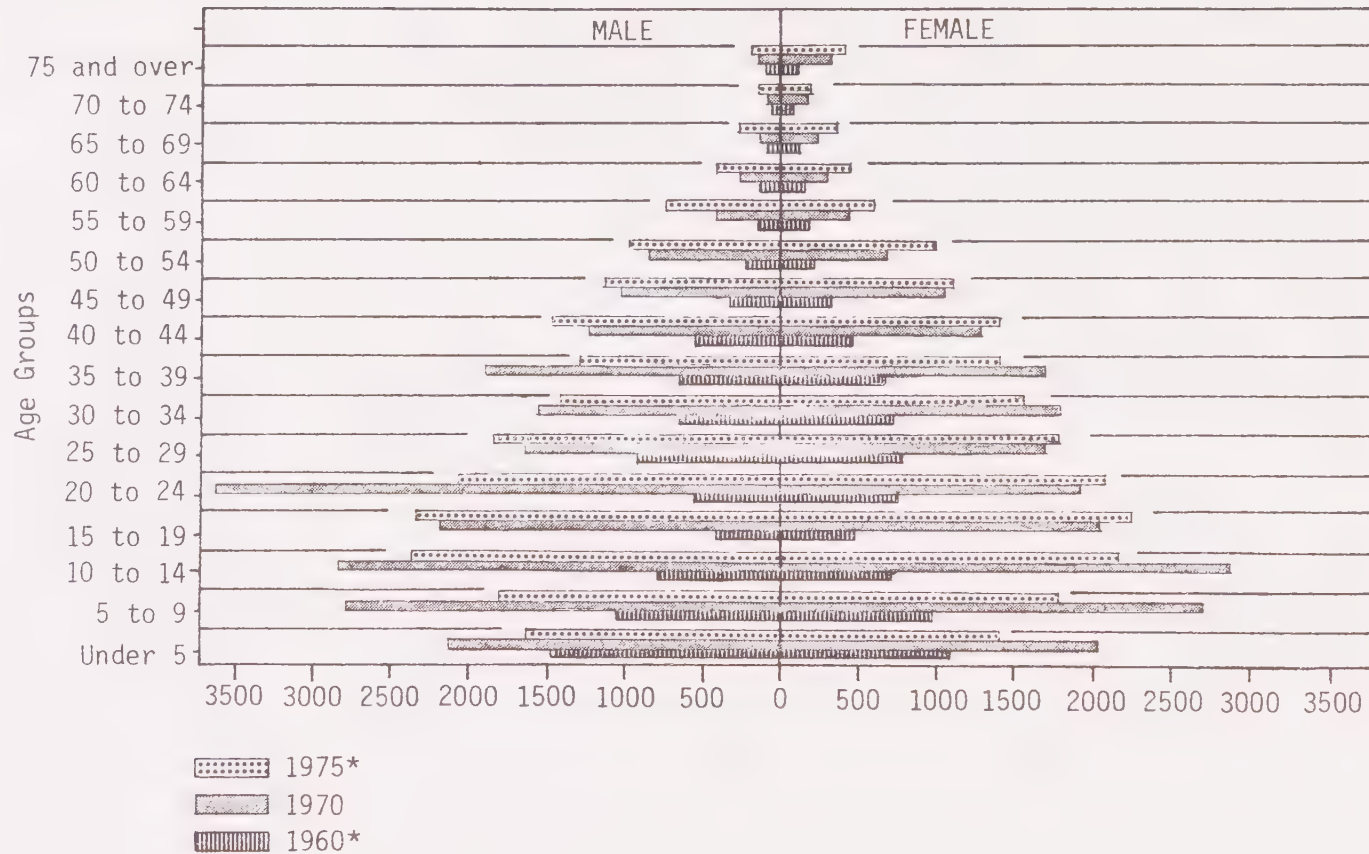
Fairfield in 1975 had one of the youngest populations in Solano County, second only to Suisun City. The median age was 25 years, and 35% of the residents were under age 18. Four percent of the total population in 1975 was over age 65. For comparison, median age in 1970 was 23 and persons over 65 made up only 2.5% of the total population. (See Figure 4.)





7  
FIGURE 4

POPULATION DISTRIBUTION BY AGE AND SEX



\*Does not include-Travis Air Force Base population.

### ETHNIC COMPOSITION

Ethnic minorities made up 15% of Fairfield's population in 1975. Blacks made up 40% of the minority population and 6% of the total. Latinos made up 20% of the minority population and 3% of the total. Minority families live throughout Fairfield and are not concentrated in any one area.

### INCOME OF POPULATION

Median income in Fairfield in 1975 was \$13,100. This represented an increase of 31% from the 1970 median income and was 17% higher than the Solano County median of \$11,163. In 1975, 34% of Fairfield's population were low and moderate income persons, defined as those who annually earn less than 80% of the median income for the area. The most current income figures available indicate that median income for the Napa-Solano SMSA was \$15,900. (Income data for Fairfield alone is not available.) Using this figure, all persons in the SMSA under \$12,720, or 80% of this median, can be considered low and moderate income. Appendix B includes income information by Census tract.

### MOBILITY OF POPULATION

People in Fairfield move frequently. Due to the recent high level of building activity and influence of military personnel living off base, the median residency period in 1975 was 3 years.



Mobility patterns in 1975 did not show a significant movement to the Fairfield area from other Bay Area Counties. Twenty-eight percent of the families who moved in or to Fairfield in 1974-75 moved from within the Fairfield-Suisun area and an additional 27% moved from within Solano County. Less than 3% of the moves were from other San Francisco Bay Area Communities. The largest numbers of migrators moved from areas outside the San Francisco-Sacramento area. These represented 37% of the moves in 1974-75. (Table 2 shows this immigration pattern.)

TABLE 2

Fairfield Immigration Pattern

Year Moved to Present Housing Units

1974-1975

Area from which

<u>relocated</u>	<u>Number</u>	<u>% of those responding</u>
No response	58	
Within same city	761	20.0
Vallejo-Benicia	102	2.7
Fairfield-Suisun	1,088	28.7
Vacaville-Dixon	151	4.0
Rio V-Colinsville	21	.6
Sac-Davis Area	84	2.2
Concord-Walnut Creek	60	1.6
S.F. Bay Area	105	2.8
Other	1,416	37.4
Never Moved	<u>17</u>	<u>.4</u>
Total	3,863	100

Source: Fairfield 1975 Special Census

Discussions with local realtors indicate that recent purchasers of resale housing come primarily from within Solano County. However, data compiled in 1978 on purchasers of homes in two new housing developments in Fairfield and one in Suisun City reveals that migration to this area from other Bay Area communities is on the rise. From 50-60% of the recent purchases in these developments come from the San Francisco Bay Area outside Solano County. Relocations within the Fairfield-Suisun area account for 25-40% of the sales of these new homes.

#### EFFECT OF TRAVIS AIR FORCE BASE

The proximity of Travis Air Force Base has an impact on the demand for housing in Fairfield. New Travis Air Force Base personnel not immediately eligible for housing on the base must locate in the Fairfield area for six to eighteen months until base housing becomes available. Travis Air Base officials estimate that 3,000 families live off-base in the Fairfield-Suisun-Vacaville area. Base records do not allow for identification of the number of single persons who maintain quarters on base and also maintain living accommodations off base.

The impact of Travis Air Force Base on the population of Fairfield is further illustrated by the fact that it provided the major source of employment for Fairfield residents in 1975. Almost one fourth of the heads of household worked at Travis either in a military or civilian capacity. Only 11% of the principal local wage earners in 1975 commuted to areas outside Solano County.

## SECTION TWO

# HOUSING PROBLEMS, CONSTRAINTS, NEEDS

## CURRENT HOUSING PROBLEMS

The extent to which Fairfield's housing needs are being met can be determined by applying three housing problem indicators used by the Federal Department of Housing and Urban Development (HUD) to gauge housing problems. The three indicators are, physically substandard units, overcrowded housing units and overpaying renter households.

### PHYSICALLY SUBSTANDARD HOUSING UNITS

Although housing in Fairfield is basically sound, some areas of the city are beginning to show signs of deterioration.

To reverse this trend the City of Fairfield commenced a housing conservation program as an activity of the Community Development Block Grant Program.<sup>2</sup> The following definitions are used in this program to identify housing which could be considered substandard.

#### 1978 Dollar Value of Repair Required to Satisfy Code

Modest Blight	\$ 2,500 - \$ 7,500
Moderate Blight	\$ 7,500 - \$12,000
Serious Blight	\$12,000 and above



In order to select a target area for the programs, a windshield survey of the homes in Census Tracts 2524.01, 2524.02, 2526.02 and 2525 was completed. This survey indicated that approximately 60% of the structures in these tracts were classified as being in a stage of modest blight. Only 2% of the units in Census Tract 2524.01 had moderate blight and none had serious blight.

Approximately 10% of the units in Census Tract 2525 are in a stage of moderate blight, primarily due to the more costly renovation of pier foundations needed in these homes, but very few are beyond repair.

The conservation program is underway in Census Tract 2524.01 with plans to expand in to Census Tract 2525 as part of the next three year Community Development program. Community Development funds for all property owners are available for reduction of interest rates on rehabilitation loans and for deferred payment loans and grants for eligible senior citizens, handicapped and low-income persons.

#### OVERCROWDED UNITS

A second indicator is overcrowding. A housing unit is considered to be overcrowded when there are more than 1.0 persons per room. In 1975 according to a local census, 500 households in Fairfield or 3.9% of the total were living in overcrowded conditions. Of these, the largest proportion or 76% were large families of 6 or more persons.

Overcrowding was even greater in the larger Fairfield, Vacaville, Suisun market area. In 1975, 6.6% of the households lived in overcrowded conditions, an increase from 3.9% in 1970.

## OVERPAYING RENTER HOUSEHOLDS

A significant standard for gauging housing problems is the number of households who are paying more than 25% of gross income, adjusted for family size, for rent and utilities. HUD has determined that the 25% ratio is a threshold beyond which rent exceeds the financial reach of lower income families to adequately afford other basic necessities of life, such as food, health care and clothing. An analysis done in 1975 by the Association of Bay Area Governments (ABAG) in the Fairfield, Vacaville, Suisun market area indicated that 21% of the renter households were overpaying compared to 18.1% of all households paying more than 25% of gross incomes for rent in 1970.

## HOUSING COST VS. INCOME

In addition, a comparison of household income to housing cost in Fairfield further illustrates the problem of lower income families. Purchase of the "average" \$50,000 house in 1978 would require an income of approximately \$19,810 (see Table 3). The most current median income figure for the Vallejo-Napa SMSA, including Fairfield, for 1977 was \$15,900. It is clear that low-moderate income families, those making less than 80% of this median or \$12,720, could not afford the average house in Fairfield unless they were able to accumulate a large down payment from the sale of a previous home or by some other means. In 1975, 34% of the population were low and moderate income.

Resale housing in Fairfield is mostly financed thorough FHA-VA programs which allow purchasers to obtain a home with a 3-5% downpayment. However, this is accompanied by a higher monthly payment with income requirements similar to that required for a conventional mortgage. Furthermore, average family income has increased only 57% from 1970-77 while housing costs have increased 90%.

Table 3

INCOME REQUIRED TO BUY  
THE AVERAGE HOME IN FAIRFIELD - 1978<sup>1</sup>

Average Home Price	\$ 50,000
20% Down Payment	10,000
<hr/>	
Loan	40,000
Mortgage payment (30 yrs. 10% interest)	351.03/mo.
Insurance	20.00/mo.
Taxes (1% of market value no homeowner exemption)	41.67/mo.
<hr/>	
Total monthly payment (after Jarvis-Gann)	412.70
Yearly Income Needed	\$ 19,810.00

(Assumes housing payment equals 25% of income)

<sup>1</sup>The above calculations are based on several assumptions. Any calculations regarding housing payments can only be approximations as individual cases will vary based on many factors. Some of these assumptions and variables are as follows:



1. Housing payment is defined as principal, interest, taxes and insurance - it does not include the maintenance or "operating" costs of a house. These costs must be added to the monthly cost of having a home.
2. A general rule-of-thumb is that monthly housing payments should equal 25% of gross monthly income. Most lenders in calculating the 25% of income, deduct any other monthly payments (such as payments on a car loan) from the gross income before figuring the 25% available for monthly housing payment. In cases where other monthly payments are substantial (car loans can easily come to \$100-\$150 per month), this can substantially decrease the amount available for housing.
3. The costs of housing calculated do not include closing costs, which may be substantial. A rough estimate is that closing costs can equal 3% of the selling price. For a \$50,000 house, closing costs could be \$1,500; for a \$70,000 house, closing costs would be \$2,100. These costs must be paid for when the house is purchased, and when added to the amount required for a downpayment, can create a hardship for many lower income families.

4. Downpayment requirements for a conventional loan vary based on the house and qualifications of the buyer. 20% of the selling price is usually required by lenders. Some newer houses can be acquired with 10% down, while brand new houses can sometimes be obtained for 5% down. Additionally, if a buyer qualifies for a FHA or VA loan, as little as 3% may be acceptable. However, a lower downpayment requires a larger mortgage resulting in monthly payments similar to those required for a conventional loan.

#### RENTAL COST VS INCOME

The low and moderate income family, unable to afford to purchase a home, turns to the rental market to meet its housing need. A family earning \$12,720, the upper limit for those considered to have low and moderate income status, could afford to pay \$265 a month in rent if this payment were to consume no more than 25% of their gross income. Since local median apartment rent is \$198, rental housing in Fairfield would appear to be within the reach of low and moderate income families. (Table 4 shows rents affordable by various income levels.)

TABLE 4

Income Required to  
Rent an Apartment or Home  
in Fairfield\*

<u>Annual Income</u>	<u>Maximum Rent and Utilities</u>
\$ 3,000	\$ 62.50
6,000	125.00
9,000	187.50
12,000	250.00
15,000	312.50

\*Assumes rent does not exceed 25% of gross income.

There are two problems associated with the adequacy of the local rental stock, however. First the vacancy rate is low making it difficult to find available rental housing of any kind.

Second, there is an inadequate supply of large rental units. Most apartments in Fairfield area 1 and 2 bedroom units with only a limited number of 3 bedroom units available.

Single-family homes for lease are available and provide an additional source of housing for large families. A Fairfield Housing Authority survey, for example, identified 112 three and four bedroom homes available for rent during March to June 1978.

Rents for these units, however, were found to be considerably higher than the median apartment rents expressed above and in most cases beyond the reasonable financial capabilities of low and moderate income families.



## HOUSEHOLDS IN NEED OF ASSISTANCE

The next step in attempting to identify the extent of the current housing problem is to quantify, using the previously described three problem indicators, the actual numbers of households needing assistance. Households with income less than the 80% of median for the area who are also paying more than 25% of gross income for rent or are living in overcrowded or substandard housing are defined as being in need of housing assistance.

The Housing Assistance Plan, prepared as a part of the Community Development Block Grant program indicates that in 1978, Fairfield had 3,527 households, or 23% of its total households, which fit this definition of need (see Table 5). Further analysis of these households shows that 24% are female-headed, and 5% are elderly or handicapped and that families represent 95% of the needy households. It should also be noted that there are currently 400 families on the Fairfield Housing Authority's waiting list for federally subsidized housing.

TABLE 5  
HOUSEHOLDS IN NEED OF HOUSING ASSISTANCE  
CITY OF FAIRFIELD - 1978

CITY RESIDENTS

	<u>Owner</u>	<u>Renter</u>	<u>Total No. of Households</u>	<u>%</u>
Elderly or handicapped	25	108	133	5.0
Families (4 or less)	8	1766	1774	65.4
Large Families (5 or more)	<u>246</u>	<u>556</u>	<u>802</u>	<u>29.6</u>
	279	2430	2709	100

EXPECTED TO RESIDE

	<u>Elderly</u>	<u>Family 4-less</u>	<u>Large 5-more</u>	<u>Total</u>
As a result of planned employ- ment or Already employed in locality	72	522	224	818
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TOTAL HOUSEHOLDS IN NEED OF ASSISTANCE

Total City Residents	2,709
Total additional households expected	<u>818</u>
TOTAL	3,527

Source: Housing Assistance Plan, 1978

## SPECIAL HOUSING PROBLEMS

There are, in addition, several special housing problems in Fairfield that should be addressed. One segment of the population which is particularly impacted by high housing costs is the elderly. Many older persons are living on fixed incomes and cannot absorb living cost increases. Although only 4% of the population of Fairfield in 1975 was over age 65, 73% had low and moderate incomes.

An additional housing problem exists for those at the opposite end of the life cycle. Young families have difficulty affording new housing and, therefore, must rent. In Fairfield, many apartments maintain a restrictive policy with regard to families with children. A recent survey conducted by the Housing Referral Office at Travis Air Force Base revealed that 31% of the units in 99 apartment complexes are not available to families with children and another 24% only allow children on a restricted basis. Restrictions include limits on the number and age of children allowed.

## DISCRIMINATION AGAINST FAMILIES WITH CHILDREN

The Housing Authority regularly encounters families who have trouble locating apartments that will rent to families with children. As apartments are available at lower cost than single family residences, this creates an additional hardship on the low income families who need shelter but cannot afford to rent a single family home.



The City recognizes that discrimination based on age is not against State or Federal law and that efforts in the State legislature to pass a bill banning discrimination against children has repeatedly failed. The City also recognizes that there is a sizeable population of adult renters who prefer to live in all-adult complexes. The City further recognizes that development standards have changed over time and that many of the open space areas within existing apartment complexes are not suitable play areas or open spaces which could be used or converted into play areas.

To deal with this problem, the City has instituted as part of its processing of applications for development of multi-family residential units a check-off on the plans made to accommodate children. In general, the project will be expected to be designed to accommodate children by such means as providing play spaces, designating sections for family and adult units, or other appropriate solutions unless the developer makes an acceptable case for limiting occupancy to adults (e.g., a project explicitly designed for young singles, elderly, etc.) The City's intent is to have flexibility to respond to market demands for particular kinds of housing in the multi-family sector while easing the burden on lower income families with children.

Lower income households have more difficulty finding housing they can afford but, once found, they also have difficulty keeping it. As a result of the imbalance between the rate of increasing cost of living, including housing costs, and rate of increasing income, some families are faced with home mortgage defaults. Records from the Pittsburgh Economic and Housing Development Corporation, which provides housing counseling one day a week in Fairfield, showed that from February to August 1978, 72 families sought housing counseling services. Of these, 60 were families in default on their mortgage.

Another area of housing need about which little is known concerns the special housing needs for the handicapped. It is fair to say that virtually no housing is constructed in Fairfield which meets the special access and mobility needs of the handicapped. Some such features have been built into the senior citizen housing units in the City, but so far as is known, the only other housing which meets this need are those resale units which have been modified by a prior handicapped resident.

#### IMPACT OF TRAVIS AIR FORCE BASE

Travis Air Force Base has 10,677 personnel, including 8,378 military and 2,299 civilian employees. These employees and their families predominately live either on-base, in Fairfield, Vacaville, Suisun, or Vallejo. The military personnel are housed on-base in either married family quarters or in dormitories. On-base, there are 2,167 units for married personnel and 3,015 dormitory spaces for single personnel. The balance are expected, under military regulations, to depend on the local community to provide housing to the extent feasible. Only if the local community is unable to meet the demand for housing military personnel is the base justified in constructing new residential units. The Base Housing Office conducts a "Family Housing Requirement Survey" periodically to evaluate the need to construct additional units on base. In recent years, they have found no need to provide additional on-base units. No civilian personnel are housed on-base.

According to information provided by the Base Housing Office, the number of units available to military personnel declined from October 1980 from 338 available units to March, 1981 to 253 available units.

Further, according to the Base Housing Office, the primary housing problem experienced by military personnel is finding affordable housing for lower ranking married personnel, with or without children.

The Base Housing Office further provides the information that there is a false increase in the number of units available for rent in the months of May and June each year due to a large volume of transfers during this time of the year.

## **CONSTRAINTS TO MEETING HOUSING NEEDS**

Having identified the fact that there are families in Fairfield whose housing needs are not being met, it is necessary to identify the constraints which inhibit the meeting of these needs.

### MARKET CONSTRAINTS

The housing delivery system is essentially a private system. The production, exchange and management of the housing stock are largely in private hands and are influenced by many factors beyond those in which local government plays a part. Private market forces control the cost of construction, money and land then determine, in large part, the final cost of housing.



(1) Construction Costs:

Data from the Northern California Real Estate Research Council on the costs each year of building the same standard quality "semi-custom" home indicates that construction costs have increased an average of 11.5% per year over the past three years. Construction costs of a typical apartment house increased an average of 8% per year over the past three years.<sup>3</sup> These same building cost increases must be borne by builders in Fairfield.

(2) Land Cost

Land cost is determined by many factors including location and site attributes such as size, topography and soils. The cost of land is also influenced by the level and/or availability of services, i.e., water and sewer, and by the land use and zoning designation which exists or can be expected through general plan or zoning change. And, as with any market commodity, the amount of land available relative to the demand for such land will influence its price.

Despite the high demand for buildable land, costs for such land in Fairfield are less than in other more developed areas of the Bay Region. Unimproved land in the Fairfield are increased in cost per acre by 8 1/4% per year from 1970 to 1978, however, an acre of similar, unimproved land in San Jose now sells for 5 times the price it would command in Fairfield.

### (3) Cost of Money:

The most significant factor in the market which controls the cost and supply of housing is the cost and availability of money or capital. There are two kinds of capital involved in providing housing; capital used by developers for initial site preparation and construction and capital used by home buyers. Interest rates for conventional mortgages and construction loans were around 11% in early 1979.

Interest rates fluctuate as a result of efforts of the Federal Government through its monetary policy to influence the economy and control inflation and unemployment. When such federal monetary policies result in a reduction in the amount of money available for real estate lending, the interest rates rise and housing construction activity declines. At the same time, mortgages may be harder to get and terms become more restrictive.

These fluctuations have been dramatic since 1970. In 1970 the prime interest rate was 9%.<sup>4</sup> By 1972 the prime rate had dropped to 4-3/4% and lending for building and mortgages was plentiful. The prime rate was 12% in 1974 and building activity slowed. With the drop in prime rate to 7% in early 1978 building and mortgage lending again had increased. The result of this phenomenon is clearly demonstrated in Figure 5 which shows the fluctuation in the number of building permits issued during periods of high and low interest rates. The increase in the prime rate in late 1979 to over 14% will have an impact on building and mortgage lending in Fairfield.

The increase in the interest rate a home purchaser pays has a dramatic effect on the monthly housing payment. Conversely, a reduced interest rate can represent a greater savings to the homeowner than the reduction of any other housing cost factor. (see Figure 6.)

There is a \$72 difference in monthly payment between a \$50,000 mortgage with 10% interest and one with an 8% interest. The same \$50,000 home can be purchased by a family with an income almost \$3,000 less when the interest rate is reduced 2%.

#### (4) Rental Housing - Market Constraints

Increasing construction, land and capital costs also have a substantial effect on the amount of rental housing which is built. Rents in Fairfield have increased over the past several years, but not as dramatically as in other parts of the Bay Area. In this market area average rents are not high enough to support the high costs of construction and new rental housing is not being built even in view of a local 3% vacancy rate.

#### SUMMARY - MARKET CONSTRAINTS

Construction costs, land, and financing costs are the major elements contributing to the cost of housing in Fairfield, as elsewhere. These factors fluctuate with the economy, as stated above. When these costs increase more quickly than people's buying power, market forces slow the construction and sale of new units and the resale of existing units.

Given the large number of acres of available land in Fairfield at a relatively moderate price (compared to elsewhere in the Bay Area), construction continues in the single-family market (based on 1980 and 1981 activity, to date), albeit at a reduced volume. Apartment construction has also slowed; most units constructed in 1980 and 1981, to date, have had "tandem" financing and partial or total Section 8 rental subsidy assistance.



FIGURE 5  
BUILDING PERMITS AND PRIME INTEREST RATES 1970-1978

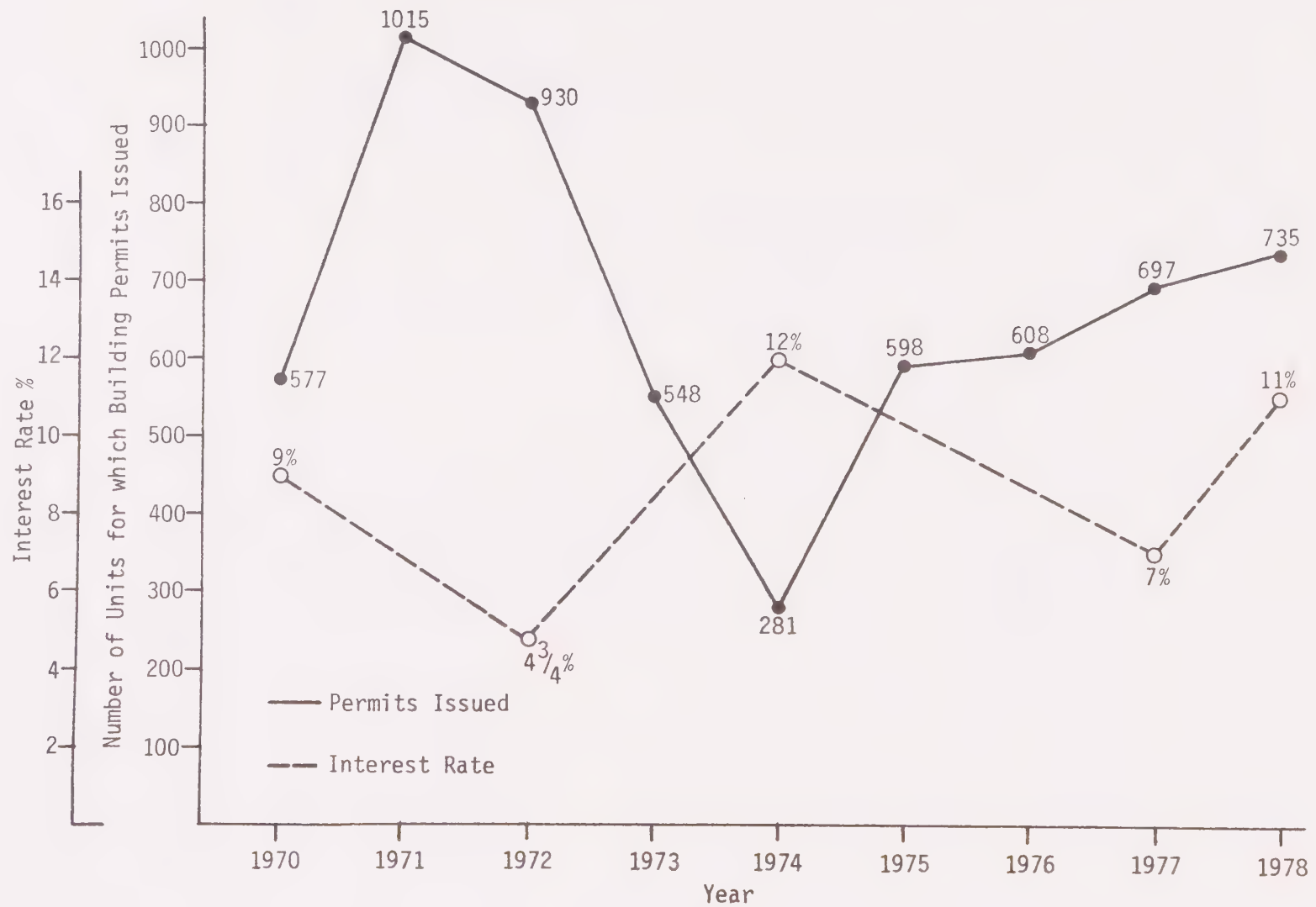
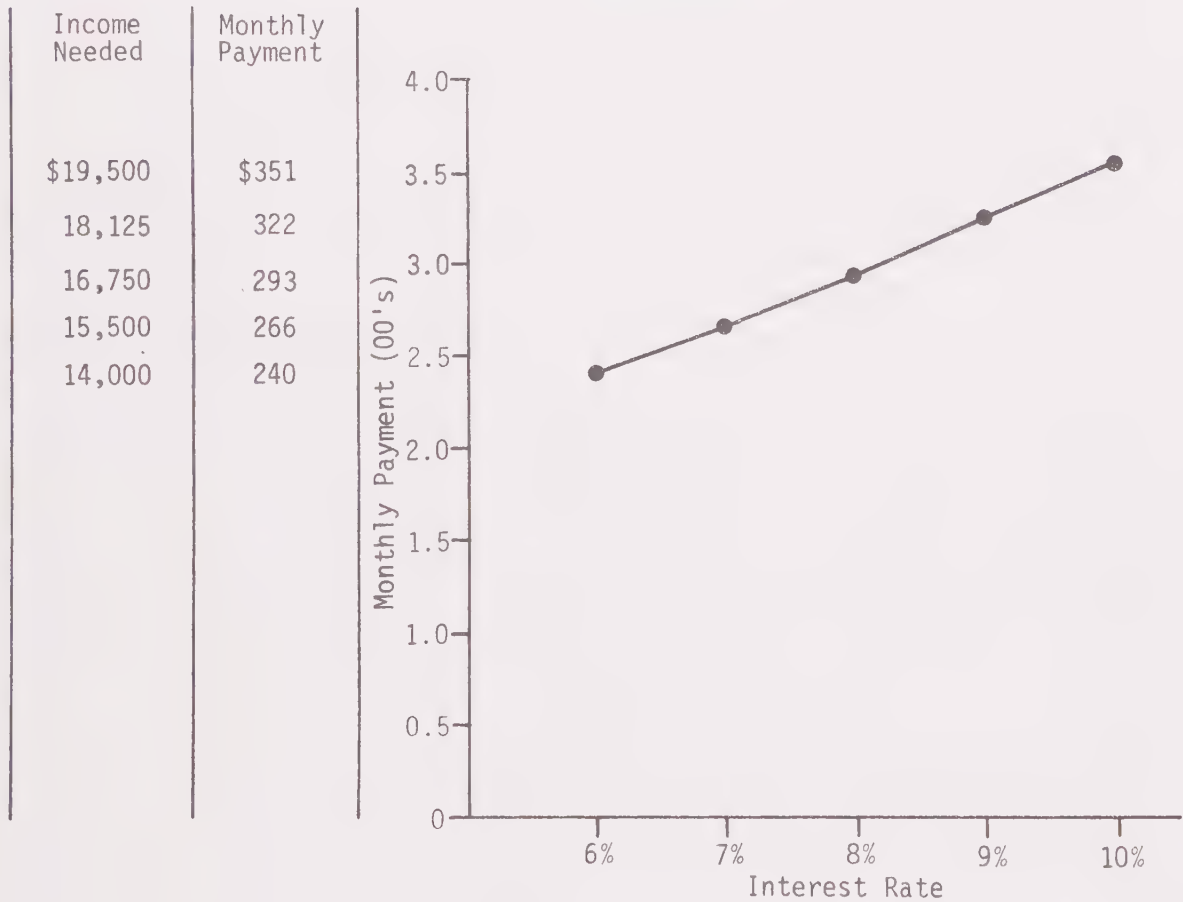


FIGURE 6

COST TO HOMEOWNER OF \$50,000 HOME\*



\*Assumes 20% Downpayment; \$40,000 Mortgage

The following chart shows typical costs for a moderately-priced for sale unit in Fairfield based on data available in early 1981. The figures are based on cost estimates provided by a local developer.

Single Family For Sale Costs

<u>Item</u>	<u>Single-Family Detached</u> <u>3 bdrm. 2 bath</u>	
	<u>Amount</u>	<u>Per cent</u>
land	\$ 2,000	2.6%
site development	\$12,000	15.6%
city fees	\$ 8,000	10.4%
construction	\$37,500*	48.8%
marketing	\$ 3,120	4.1%
financing	\$ 6,240	8.1%
overhead	\$ 2,340	3.0%
<u>TOTAL</u>	<u>\$71,200</u>	<u>92.6%</u>
<u>Profit</u>	<u>\$ 5,700</u>	<u>7.4%</u>
<u>Sales Price</u>	<u>\$76,900</u>	<u>100.0%</u>

\*Based on 1,500 sq. ft. @ \$25/sq. ft.

The chart below shows what typical costs are for rental multi-family units constructed or under construction in 1980 and 1981. As shown below, in order to debt service a mortgage of \$2,718,600.00 a monthly rent of \$445.00 for the 2 bedroom apartments and \$495.00 for the 3 bedroom apartments would need to be charged yielding a total annual rent of \$353,760.00. Obviously these rents are too high to attract potential tenants. The average monthly rental in Fairfield currently for a 2 bedroom apartment is \$269.00 and \$385.00 for a 3 bedroom apartment. This particular project has been built because it is 100% Section 8 subsidized. The economics of new multi-family housing require exorbitant rents in order to debt service project costs. Therefore, the only new apartments being built are subsidized.



### Multi-Family Rental Project Costs

<u>Item</u>	<u>64 Units (44 2 Br, 20 3 Br)</u>	
	<u>Amount</u>	<u>Per Cent</u>
Structural Improvement	\$2,296,000 <sup>1</sup>	70.3
Carrying charges and Financing	287,372	8.8
Legal, Organization, & Credit Fees	11,800	0.4
Builder & Sponsor Profit and Risk	259,517	7.9
Management Fund	64,000	2.0
Land	<u>347,000</u>	<u>10.6</u>
Total Estimated Replacement Cost	\$3,265,689 <sup>2</sup>	100%
Required Mortgage	2,718,600	

<sup>1</sup>Based on \$36.39/sq. ft.

<sup>2</sup>Cost of \$51,026 a unit.

### GOVERNMENTAL CONSTRAINTS

Equally important to the assessment of constraints caused by market forces are constraints imposed by the government process. In spite of the private nature of the housing delivery system, government regulations and controls do have significant influence on the type of housing which is produced. It is important to review these constraints to determine the influence they have and to identify areas of possible adjustment.

#### (1) Land Use Controls

Land use controls such as general plan designations and zoning are necessary to the orderly development of a community in order to avoid the environmental and fiscal consequences of unplanned growth. If the range of densities, allowed by these controls is not broad enough, however, the result may be the exclusion of lower income households from the community.

Both the Fairfield General Plan (1979) and the Cordelia Area Specific Plan (1975) set density averages in keeping with the intent to create neighborhoods having various housing types. The average range of density in residential areas in both Fairfield and Cordelia urban growth centers is generally from a low of 2 units per gross acre to a high of 21 units per gross acre. These densities allow for a housing development to incorporate single family and multiple units at varying densities in the same project as long as the average is not exceeded. In addition, density bonuses are available in the Cordelia growth center to further public, social and aesthetic goals.

The Fairfield General Plan Land Use Element and Diagram define areas of residential densities in Fairfield. Table 6 shows the number of residential land in each density category.

TABLE 6

RESIDENTIAL DENSITIES

CITY OF FAIRFIELD

Residential Density Class	Average # of DUs/Acre	Total Gross Acres	Maximum # of DUs	% of Total Land
Fairfield Growth Center				
Low Density	2.5	1968	4920	54
Low Density	4.2	1098	4611	30
Medium Density	12.0	196	2352	5
Medium Density	18.0	208	3744	6
High Density	21.0	165	3465	5
Cordelia Growth Center				
Low Density	2.0	375	750	15
Low Density	2.5	820	2050	33
Medium Density	7.0	1315	9205	52

As Table 6 demonstrates, within the planning area, there are 6,145 acres of developable residential land, enough for a maximum of 31,097 additional units. This land is zoned for a variety of densities and will be able to accommodate a mix of housing types and prices. The Fairfield urban growth center, for example, contains a total of 569 acres of developable medium and high density land which would allow for the construction of a maximum of 9,561 housing units.

The Cordelia urban growth center, a "new town" wholly within the City of Fairfield at the junction of Interstate 80 and Highway 680 contains 1,315 acres of developable medium density land, much of it in an already approved PUD for construction, for a maximum of 9,205 units. Much of this medium density land is planned for moderate-priced owned and rental units.

Fairfield, including the Cordelia urban growth center, has the physical capacity to accommodate new development. The City has modern water treatment plants with current joint capacities of 25 MGD and expandable to 67 MGD. They were constructed in 1968 and 1975 and are expected to serve a population of approximately 70,000 (excluding Travis Air Force Base) and handle anticipated growth in the industrial and commercial sector.

The City has a tertiary sewer treatment plant, constructed in 1976 with a capacity of 12 MGD and is being expanded to a capacity of 15.6 MGD. An additional expansion to 30 MGD is planned in the future.

All developable residential land within the planning area, thus, has direct access to required utility hook-ups or adequate provision for them. Street and road systems are available or will be installed as part of the development of new subdivisions. Through the City's cost revenue impact system (CRIS) developed by the City and the Association of Bay Area Governments (ABAG), the impact of new development relative to job creation and demand for infrastructure (streets, water, sewer) and services (schools, fire and police protection, etc.,) can be assessed.

Through the City's development fees, monies are collected to offset the cost of providing adequate infrastructure (sewer and water connection fees, park and school impact fees). Before new projects are approved, the City assesses their impact on infrastructure, using CRIS as a tool where appropriate or necessary, and ascertains that the City has the financial capacity to provide any additional required public services. The City has taken a number of steps, including adoption of an Expenditure Control Budget System, streamlining of operations, encouraging an appropriate mix of residential and commercial/industrial land uses, and focusing on development of low-maintenance parks to ensure that growth is feasible. The City's availability of land and capacity to develop it has combined to make residential development possible in Fairfield at relatively reasonable costs in today's economy.



## (2) Cordelia Housing Allocation System

The City Council has adopted a Housing Allocation System to be used in the Cordelia area as an implementation measure of the Cordelia Area Specific Plan. This system is designed to limit the number of housing units which can be built in Cordelia in any 3 year period. To the extent that any attempt to regulate growth interferes with the ability of the free housing market to respond to demand, it should be considered a constraint.

However, the system contains incentives for the private developer to provide a range of housing type and price. The allocation will be based on housing need and the ability and capacity of public facilities and services in the Cordelia Area to accommodate new development. Housing need relates primarily to new jobs which will be created in the Cordelia area. The point system, meant to rate projects vying for the annual allotments, gives greatest weight to projects meeting identified housing needs. (See Allocation System Criteria below.)

### Cordelia Area Housing Allocation System Criterion for Rating Project

<u>Criterion</u>	<u>Maximum Points</u>
1. Design Quality	20
2. Meeting Identified Housing Needs	25
3. Public Facilities Availability	20
4. Cost/Revenue Impacts	15
5. Compliments Orderly Growth	10
6. Environmental Impacts	10
7. Past Performance of Developer	<u>10</u>
TOTAL	110

### (3) Public Improvements and Amenities

The City of Fairfield holds the developer of new housing responsible for public improvements necessary to such development such as streets, lighting, extension of public services and drainage. Neighborhood amenities such as school sites, parks, off-street bicycle and pedestrian trails, landscaping and fencing for buffering and setbacks to protect natural features are also the responsibility of the developer. City requirements for site improvements and amenities vary from development to development depending on the characteristics of the site and the project.

Although the practice of assessing the cost of public improvements and amenities to the developer has become accepted it does add to the cost of new housing units.

### (4) Fees

In addition, local government collects revenues for providing local services to new housing, which also add to the cost of housing. Special fees are needed for sewer and water connection, recreation and school facilities, building permits and other costs of processing an application. A single-family unit built in Fairfield is currently assessed \$4,500 in such fees. An average multi-family unit is assessed \$3,500. The fees are the same regardless of the sale price of the unit.

### (5) Review Time

Another facet of governmental control which adds to the cost of housing is the time it takes to process an application. a large project requiring extensive planning and environmental review takes approximately one year to process in Fairfield. During this time, a developer must absorb the costs of holding the property.

## OTHER CONSTRAINTS

Further constraints to the development of housing in keeping with market demand are the finite level of resources such as land, water and clean air available to such housing and environmental constraints which affect the way the housing should be developed. These constraints are discussed in greater detail in the General Plan EIR/Environmental Assessment.

## **FUTURE HOUSING NEED**

Regardless of existing constraints new housing provided by the private market will continue to be needed in the Fairfield area, both to meet the changing needs of present residents and to provide shelter to a growing population. In order to be able to adequately plan for future housing, it is necessary to anticipate need in the near future.

## MARKET RATE HOUSING

The extent of future need can only be approximated, but numbers of needed housing units can be determined by examining the major factors that define need for additional market rate housing. These factors are the creation of new jobs, changing needs of the existing population, and demand for housing in the greater Bay Area.

### Jobs

The number of new jobs added by 1985 can be estimated by projecting the amount of industrial and commercial land which will be developed and determining the number of persons finding employment there.

Projections of job opportunities in industry have been made in the General Plan EIR/Environmental Assessment and are based on historical development of industrial land in Fairfield adjusted by the availability of industrially zoned land throughout Solano County. These projections indicate that from 35 to 65 acres of industrial land a year will be developed in Fairfield which could result in 5,390 to 10,010 new jobs by 1985.<sup>5</sup>

The number of employees required for various types of retail, commercial and office use varies with the type of merchandise and level of service, making predictions speculative at best. However, a minimum of 1300 to 2600 commercial jobs will be added in the Fairfield growth area by 1985 as a result of approved shopping areas, the largest of which is the new Solano Mall.<sup>6</sup>

In addition, residential growth in Cordelia will also result in demand for commercial development, the extent of which cannot be quantified.

Approximately 66,000 sq. ft. of office space has been added in Fairfield since 1965. Assuming that this rate continues to 1985, this could result in 539-693 new jobs.<sup>7</sup>

Finding the cumulative total of identified industrial, commercial and office jobs in these categories, results in a minimum range of approximately 7229 to 13,303 new jobs in both the Fairfield and Cordelia growth centers by 1985. Assuming that from 60 to 80% of these jobs would be filled by primary wage earners, the result could be that approximately 4,300 to 10,600 new households will be seeking housing within commuting distance of Fairfield.<sup>8</sup> (See Table 7)



TABLE 7  
Jobs Created by 1985

<u>Type</u>	<u>Area Developed</u>	<u>Number of Jobs</u>	
		<u>Low</u>	<u>High</u>
Industrial	245-455 Acres	5390	10,010
Commercial	780,000 sq. ft.	1300	2,600
Office	154,000 sq. ft.	<u>539</u>	<u>693</u>
	TOTAL	7227	13,303

The City of Fairfield while encouraging industrial and commercial development has adopted a policy in the Cordelia area of accepting the responsibility for housing these new households. The Housing Allocation system for Cordelia, described above, anticipates the jobs created in any one year and projects new jobs to be created in the next 3 year period. This information will help set the number of units to be built in the Cordelia growth area in any 3 year period. Further analysis of jobs produced and housing needed in the Fairfield growth area points to the need for a citywide policy accepting the responsibility for housing persons brought to the city by new job opportunity. If the City of Fairfield provided housing for just 50% of the households created by jobs produced citywide, this would require the addition of from 300 to 760 new homes per year to 1985.

This should be considered a minimum, however, since the addition of new workers in Fairfield represents only one factor which results in the need for additional housing units.

## Changing Needs of Population

The existing population of Fairfield is changing. The population projection figures prepared for Fairfield's newly instituted Cost Revenue Impact System (CRIS) designed to assess the cost-revenue of new development, shows that if no new development occurred, the number of persons above age 19 would increase 3776 persons by 1985. Some proportion of these persons will be seeking new housing in the Fairfield area, most probably rental housing. Changing housing needs of residents is further attested to by the fact that over one fourth of the homes in several new tracts were purchased by current Fairfield-Suisun residents.

## Demand from Bay Area

The recent increase in families migrating to Fairfield from other Bay Area communities indicates that Fairfield is providing needed housing within the region. The extent to which Fairfield should be expected to continue to meet such need is difficult to judge. While a basic need to house new workers exists, market rate housing to meet regional need can be provided only to the extent that services are available without undue disruption to the environment.

## Total Market Rate Housing Need

A population projection which takes into account the factors of employment opportunities, changes in the existing population and migration to Fairfield, has been used to estimate the total need for future housing units. Table 8 shows the number of units needed to house the anticipated population.

These figures assume a future average household size of 3.02 persons per household. (See Appendix E)

TABLE 8

## Housing Units Needed by 1985

<u>Projected Population</u>	<u>Housing Units/Year</u>
65,125	1,146

Source: Table 4, Land Use Element of the Fairfield General Plan

It is important to note that the number of new housing units anticipated in Fairfield per year (600-1,100) is within the projected need assuming the highest number of housing units.

BELOW MARKET RATE HOUSING

Prior analysis shows that except for some rental housing, the market is not providing new housing to meet the needs of low and moderate income persons. And yet, there will be demand for homes in price categories suitable to the needs of these people, particularly when they are brought to Fairfield by opportunities in industry. Fairfield has a responsibility then to consider and plan for some number of households who need housing at below market rate prices. The State Department of Housing and Community Development has prepared a Fair Share Housing Needs Allocation Plan which identifies the need in the Eastern Solano County Market Area for low and moderate income housing and which identifies the number of such households who might be expected to want to live in Fairfield, and for whom Fairfield should plan. The Eastern Solano County Market Area includes Fairfield, Vacaville, Dixon, Suisun City and the unincorporated area.

Fairfield's share of low and moderate income housing need was determined based on a formula which considers the housing opportunity currently existing in Fairfield for low and moderate income families and access to employment within the market area.

After subtracting a percentage factor which represents the amount of need which has already been locally satisfied, the formula determined that 24.5% of the projected number in 1985 will be low and moderate income households with unmet housing needs requiring 4,636 units of below market rate housing or 662 units per year to 1985. (Methodology for this analysis is found in Appendix E.)

Adjusting these totals for family type and size results in the findings that of the 662 units needed per year, 33 should be for elderly, 433 for families and 196 for large families.<sup>9</sup>

The 662 units annually needed to house low-moderate income families includes those which may be newly constructed and those provided by the existing housing stock.

## **SECTION THREE**

# **TAKING ACTION**

### **THE HOUSING ACTION PROGRAM**

Identification of housing needs and constraints, which act to inhibit the meeting of these needs, forms the basis of the Housing Action Program. This program is meant to build on actions already begun in Fairfield and will implement the goals and policies found in this section.

#### POTENTIAL IMPACTS SUMMARY

The following major categories of impact would occur as a result of General Plan implementations. (See General Plan EIR/Environmental Assessment)



1. The total number of new housing units which could be constructed in the developable area shown on the Land Use Diagram would be 25,701. Of these, 68% would be single-family and 32% multi-family. By the year 0, between 13,000 and 22,000 units would be built depending on the actual rate of growth experienced in the planning area.
2. New sales and rental housing would be substantially more expensive than existing housing in Fairfield as a result of inflation.
3. Build-out of industrial parks and other job-creating developments would result in substantial demand for new housing within commuting distance of Fairfield. At least 10,000 to 15,000 households can be expected to seek housing in Fairfield itself.
4. Because of inflationary pressures, the housing market is unlikely to provide an adequate supply of low and moderate-cost shelter.
5. The likelihood of an extreme housing shortage in Fairfield under these conditions would make it economically possible for owners of existing housing in central Fairfield to let their property deteriorate and still rent at substantial prices. Hence, the construction of housing and new industrial parks on the outskirts of Fairfield may result in the deterioration of central Fairfield.
6. At total build-out, the population of Fairfield (including Cordelia) may increase by 78,000, tripling the population of the City outside of Travis Air Force Base.

7. Residents of the newly developed areas would have higher incomes than existing Fairfield residents because of higher housing costs in the new developments.
8. Assuming implementation of the Plan's industrial component, between 13,000 and 24,000 new employment opportunities would be created by the year 2000.
9. Fairfield will build out at a rate between 600 and 1,100 residential units per year.
10. The absorption of industrial land would probably occur at a rate between 35 and 65 acres per year.
11. A high rate of industrial land absorption would probably result in a serious housing shortage in Fairfield.

#### HOUSING GOALS, POLICIES AND OBJECTIVES

##### Adopted General Plan Policies

Policies included in adopted General Plan elements that have a bearing on the supply and utilization of housing in the larger Fairfield community and that also act to offset adverse impacts are listed below to maintain consistency with the Housing Element. Policies relating specifically to the Cordelia urban growth center should be referred to in the Cordelia Area Specific Plan.

Residential Land Use Element Policies Relating to Housing Development.

Policies prepared to support residential development proposals are as follows:

1. The City of Fairfield should provide for a variety of dwelling types including apartments, townhouses, condominiums, mobile homes and single-family homes at densities which:
  - a. Maximize environmental quality;
  - b. Minimize land requirements and costs of public utilities and services per housing unit (HUD); and
  - c. Maximize market accessibility by families in all income brackets.
2. Mobile homes on a foundation system shall be considered a single-family dwelling. Mobile homes would be a permitted use on any lot zoned for single-family dwellings subject to development standards set for all types of single-family dwellings.
3. All residential areas are to be designed in consideration of proposals of the General Plan which call for the "neighborhood" as the smallest physical unit of a larger residential district environment which provides pedestrian and vehicular circulation, educational and cultural facilities, recreation and open space, police and fire protection, and supportive professional, convenience shopping and personal services required by the population of the district.

4. Residential areas should provide for the needs of elderly citizens to assure their being accessible to activity centers and shopping areas and to provide the option of continuing to reside in neighborhoods of mixed economic, ethnic and age groups.
5. Working in cooperation with the City of Fairfield and each other, developers of new residential areas shall develop positive programs to assure that the full range of needs within the local housing market will be reflected in the building of the Cordelia and Fairfield growth centers.
6. Working in cooperation with the City of Fairfield, the business and industrial community, and each other, developers shall develop positive programs which seek to maximize opportunities for the use of local labor in the housing and community building process.

#### General Land Use Element Policies Relating to Housing Development

1. Planned Development (PD) regulations, as described in the Cordelia Area Specific Plan, are to be the exclusive means of development regulation in the new Cordelia urban growth center. In the established Fairfield area growth center, PD regulations are to be employed as a principal developmental process.
2. The City should, on a regular basis, reassess its housing programs and the level of industrial development anticipated in the community. If inequalities are revealed, the City should consider one of the following means of attaining a balance between residential and industrial growth:



- a. Upzoning of selected residential areas.
- b. Reallocation of industrial land to residential uses.

#### Cordelia Area Specific Plan

Additional policies from the Housing Element of the Cordelia Area Specific Plan that have application to housing conditions in the larger Fairfield Community are as follows:

6. Local government is to seek and encourage the use of those federally-assisted housing programs which relate to needs of the local housing market, including programs which will permit families of low and modest income to occupy sound housing.
7. Working in cooperation with the City of Fairfield, the business and industrial community, and each other, developers shall develop positive programs which seek to maximize opportunities for the use of local labor in the housing and community process.
8. In managing the development of the Cordelia growth center, the City of Fairfield simultaneously should pursue a high level of housing quality for the larger Fairfield community. It should see not only to encourage the maintenance of the large existing stock of sound housing units in the Fairfield growth center, but also to add to this stock through the rehabilitation of substandard structures where feasible, and through the replacement of dilapidated structures to meet the needs of the expanding community population.

9. The relatively high percentage of homeownership of housing units in the Fairfield growth center suggests that emphasis be given to programs of rehabilitation of housing units which show signs of deterioration. Such programs should encourage upgrading by owner-occupants.
10. Through its own actions and by encouraging positive actions by the private sector, the City should encourage the development and maintenance of an adequate housing market as a condition vital to the attraction of industries and other generators of employment within the two growth centers.

#### Housing Goal

Policies and proposals of the General Plan, and implementing actions of the City are, insofar as possible, to assure equality of opportunity in the availability of housing and in the provision of public services and facilities needed by all people who might choose to live in the larger Fairfield community.

#### Objectives

Five closely related objectives are proposed by the Housing Element to implement the Housing Goal as follows:

- 1) The City should develop financing programs and other methods for the allocation of new housing construction that will act to increase the supply of housing for low and moderate income persons.

- 2) The City should review its fiscal and other regulatory policies in an effort to provide incentives that will act to lower the cost of housing for low and moderate income persons.
- 3) The City should sponsor housing conservation programs that work to preserve Fairfield's existing housing stock.
- 4) The City should develop programs that will encourage the development of housing in all neighborhoods that will be available to persons of all income levels and social description.
- 5) The City should initiate programs that act to prevent social and economic discrimination in the sale and rental of housing.

#### Housing Policies

In addition to the objectives noted above ten policies designed to carry out these objectives are described in detail. Each policy provides a description of the need for the policy, its content, specific action programs to carry out the policy and, where applicable, the quantifiable objectives the policy is directed to accomplish. Each of the policies is designed to implement the Housing Goal and accomplish one or more of the Housing Objectives as shown above.

## Existing Programs

The City of Fairfield has several housing programs in effect which the Housing Element recommends be continued. These programs, administered by the City, include housing rehabilitation and housing counseling. In addition the Fairfield Housing Authority administers the City's publicly subsidized housing program. These programs are incorporated into the policies that follow in order to insure their continued implementation.

## HOUSING POLICIES AND IMPLEMENTATION

### Policy 1: Tax Exempt Mortgage Financing

The Housing Authority and the Redevelopment Agency shall jointly implement programs for tax exempt mortgage financing of rental unit development and for home purchase by persons of low and moderate income.

### Objectives

1. To lower the cost of housing for low and moderate income people.
2. To increase the supply of rental units for low and moderate income people.



## Need

Home prices have increased making many people with low and moderate incomes unable to purchase. Prevailing rents are below those necessary to pay the costs of constructing and operating new rental units. Vacancy rates are critically low at 2.7%. Tax exempt mortgage financing decreases the mortgage interest rate for homebuyers and rental unit developers. Lower mortgage payments decrease the cost of home ownership. Lower mortgage payments decrease rents necessary to cover the cost of rental unit developments and thus allow more apartment development than would otherwise occur at prevailing rents.

## Description

Both the Housing Authority and Redevelopment Agency have legal authority to engage in mortgage financing: The Housing Authority to provide mortgage financing benefiting low income persons as defined by the Authority; the Redevelopment Agency to provide mortgage financing for low and moderate income persons within a redevelopment project area, or only low income persons outside of a redevelopment project area.

With either agency the elements of a mortgage financing program are essentially the same: (1) the agency issues its own revenue bonds; (2) the agency contracts with private savings and loan associations to originate and service mortgage to qualified rental projects or to qualified individuals; and (3) mortgage payments repay the revenue bonds and the cost of servicing the mortgages.

## Implementation

- (1) The home purchase mortgage program shall be designed to provide assistance to those who need it, and can be used by those families with median incomes less than 120 percent of median income.

As additional insurance against providing unwarranted benefits to higher income groups, the home purchase mortgage shall be offered only for homes below a qualified maximum price. Finally, the program shall be implemented with protection against sellers capitalizing the low interest rate into a higher than market price at a resale with an assumed mortgage.

- (2) The home purchase mortgage program shall be restricted to owner occupied dwellings.
- (3) The mortgage program shall be applicable citywide to encourage maximum dispersion of low income persons.
- (4) The mortgage program shall rely on several savings and loan associations in the community to originate and service mortgages.
- (5) The mortgage assistance program for rental units shall be designed to lower rents below those which would be necessary to pay construction and operation costs under conventional financing. The program shall not regulate rents except where prevailing market rents exceed those necessary to pay the breakeven costs of constructing and operating new rental units. In such situations, the program shall require the developer as a condition of receiving the low interest mortgage assistance to pass the interest cost savings on to tenants.

## Cost

A mortgage assistance program would be self-supporting from mortgage payments.

## Timing

Immediate. Depending upon the extent of subsidy to low income people, an Article 34 referendum may be required. (see Recommendation No. 2).

## Quantifiable Objectives

1979/90 - 60 units of single-family housing  
60 rental units

Thereafter - 100 units per year of single-family housing  
100 rental units per year

## Policy 2: CHFA Mortgage Financing

The Housing Authority shall act to enable Fairfield residents to benefit from California Housing Finance Agency programs.

## Objectives

1. To lower the cost of housing for low and moderate income people.
2. To increase the supply of housing for low and moderate income people.
3. To preserve housing for low and moderate income people.

## Need

Home prices and apartment rents have escalated faster than income. The result is that low and moderate income households cannot afford to purchase an average priced (\$50,000) home given a 20% down payment.

Similarly, many low and moderate income households cannot afford to rent an average priced apartment (depending on apartment size).

According to a 1976 study, there is a corresponding need to preserve the stock of existing housing. 36.2% of the housing in Fairfield is declining.

## Description

The California Housing Finance Agency administers the Home Ownership and Home Improvement Program and a multi-family mortgage financing program. The Agency sells tax-exempt revenue bonds and uses the proceeds to purchase mortgages made by participating private lenders at below-market interest rates. The rate for single-family purchase available to low and moderate income families is about 7-3/4%. The rate for rehabilitation loans is about 9%. The rate for construction of apartments (multi-family units) made to developers is 7%.

## Implementation

- (1) The City shall submit an application to participate in CHFA's Home Ownership and Home Improvement program.
- (2) The City shall work with interested developers in obtaining CHFA financing for multi-family apartment projects.



## Cost

There will be no cost for the Home Ownership program. Under the Home Improvement program, the City will have no added costs.

By using CHFA tax-exempt loan funds, the City can more efficiently use Community Development funds to subsidize the interest rate on rehabilitation loans.

## Timing

An application has been submitted for 1979. Further applications should be submitted upon receipt of invitation by the State.

## Quantifiable Objectives

Home Ownership	1979-80 - 30 units
	80-81 - 30 units
	81-85 - 30 units
Home Improvements	1979-80 - 24 units
	80-81 - 36 units
	81-85 - 36 units
Multi Family	1979-80 - 50 units
	80-81 - 50 units
	81-85 - 60 units

## Variation/Emphasis

CHFA programs compliment other programs, such as Fairfield's Housing Conservation Program. Emphasis should be on family housing which is especially critical.

The multi-family program could be tied partially or wholly to the Section 8 program.

Policy 3: Referendum for Article 34 Authority

To permit the Housing Authority to finance, construct, or acquire housing for low income families, elderly or handicapped, the City's policy will be to place on the ballot a referendum, in accordance with Article 34 of the California Constitution, in instances when the City Council decides that a vote of the people is necessary and appropriate.

Objectives

1. To lower the cost of housing for low income people.
2. To increase the supply of rental units for low income people.

Need

Use of local and state funds to finance, construct or acquire housing projects intended for rent to low income people requires a vote of the local voters under certain specified circumstances. For example, if more than 49 percent of the units in an apartment complex to be financed by local or state tax exempt revenue bonds are earmarked for low income people, a vote would be required. If less than 49 percent of the units are earmarked for low income people, it might not be required. A successful Article 34 referendum would enable the City to carry out other adopted policies in cases where there was a legal requirement to have a vote of the people.

## Description

Article 34 of the State constitution was passed in 1950 to prevent local housing authorities from financing, acquiring or constructing public housing projects without a vote of the local community.

## Implementation

- (1) The City shall sponsor referenda when legally required in order to carry out other City housing policy.
- (2) On any ballot issue, the program (or programs) to be supported would be clearly identified.
- (3) On any ballot issue, intended beneficiaries, e.g., families, elderly, handicapped, and, if feasible and/or relevant, location of any projects, would be clearly identified.

## Costs

There will be minor costs of any referendum for legal fees, for writing the ballot measure and pro rate election costs.

## Quantifiable Objectives

Not available at this time.

## Policy 4: Mixed Use Housing

The City shall provide for a variety of dwelling types, including apartments, townhouses, condominiums, mobile homes and single-family homes at densities which:

- A. Maximize environmental quality;
- B. Minimize land requirements and costs of public utilities and services per housing unit; and
- C. Maximize market accessibility by families in all income brackets.

#### Objectives

- 1. To increase the supply of rental and purchase units for low and moderate income people.
- 2. To create a social and economic mix of people within neighborhoods.

#### Need

This policy is currently in effect for the Cordelia area and it needs to be included as a specific policy of the Housing Element/General Plan for the entire planning area.

#### Description

This Housing Element policy would come into play at the early stages of discussion between the City Planning staff and residential developers. Staff gives the developer the overall allowable residential density for his project. Assuming the General Plan densities are high enough to accommodate a housing mix concept, and the project is of sufficient size, the developer would be required to plan into his project the widest range of dwelling types possible. This could include a variety of lot and home sizes for detached housing as well as attached, "for sale" and rental housing.



## Implementation

For any housing development proposal which exceeds 15 acrs in gross area, and where economical site planning for various uses can be reasonably achieved, the City shall require a mix of housing types and price which best addresses the housing needs of the City, except in areas designed in the General Plan for 2.5 or less units per gross acre. In addition, the City may, in conjunction with the above, require that priorities be set for the construction of certain critically needed housing units.

## Cost

There are no direct public costs involved in this activity.

## Timing

There is an immediate need due to the great number of current zoning applications anticipated by the Planning Commission and City Council.

## Quantifiable Objectives

It would be a year or more before results of this policy would begin to show as it seems to take that long between the completion of zoning and occupancy of the first units.

## Policy 5: Housing Conservation

The City and Housing Authority shall continue to provide assistance to the city residents in designated neighborhoods to improve the condition of their homes.

## Objectives

1. To preserve housing for low and moderate income people.

## Need

A 1976 study identified three census tracts, with 36.2 percent of the City's housing, that had experienced significant decline between 1960 and 1970.

More detailed surveys conducted by the Housing Conservation staff narrowed the choice to an initial conservation area. The predominant condition of homes in this area was modest blight, defined as requiring repairs of \$2,500 to \$7,500.

## Description

The City currently operates a housing conservation program in a 10-block area located south of Travis Boulevard, and east of Interstate 80 and has begun phasing in other neighborhoods. Four additional neighborhoods will be added by mid 1980.

City staff works with residents to inspect the property, determine the work to be done, prepare the specifications, solicit bids from contractors, obtain a reduced interest rate loan, and supervise rehabilitation work.

The City also plans to use Community Development Block Grant (CDBG) funds in the conservation neighborhood to make public improvements in the housing conservation neighborhood.

## Implementation

- (1) The City shall encourage city-wide, voluntary home improvement.

- (2) To forestall further physical deterioration of housing in areas of such decline, the City shall continue its Housing Conservation program.
- (3) To minimize inconvenience and hardship to owners and occupants of housing with Housing Conservation Neighborhoods, the City shall provide technical services and low interest loans, deferred loans, and grants.
- (4) The City shall ensure that public facilities and services in Housing Conservation Neighborhoods are installed and maintained at the same level as in other neighborhoods of the City.

#### Cost

The Housing Conservation program is funded by Community Development Block Grant. This is one of the primary uses intended by the federal grant for CDBG funds.

The current year budget is \$156,000. Projected budgets for 1979-80 -- \$148,000; for 1980-81 -- \$227,000; and for 1981-82 -- \$250,000.

#### Timing and Quantifiable Objectives

The program is established. Under the current program, 36 units per year are being rehabilitated. Our goal is to rehabilitate 48 units per year thereafter.

#### Policy 6: Inspection Program

The City shall enact a voluntary pre-sale inspection program and a rental occupancy information program.

## Objective

1. To preserve existing housing.

## Need

Many areas of the City are in the first stages of decline, as noted in the Housing Conservation Study, conducted in 1976. These are neighborhoods where conditions are not severe enough to require that a Housing Conservation Program be established, but deserve attention because of their apparent movement toward decline.

If a program could be developed to arrest decline before it becomes serious, considerable public and private costs will be avoided. Based upon current experience by the City Building Division many FHA-insured housing units in so-called "stable neighborhoods" have serious code deficiencies and violations from owner/contractor additions and repairs without building permits or inspections.

## Description

1. A pre-sale voluntary inspection program. It would require that the seller or his agent make the prospective buyer aware that he has a right to request a City inspection of the property. The buyer is responsible for paying for the inspection and should the inspector find hazardous code violations or zoning violations, the cost of repairing such deficiencies is negotiable between the buyer and the seller.
2. A rental information program. Apartment owners would be required to provide tenants with information concerning the obligations of owners to maintain decent, safe, and sanitary units and where remedial action is available should the unit be unsafe.



## Implementation

- (1) The City shall monitor the pre-sale voluntary inspection program by requiring copies from the seller or his agent of a statement signed by the buyer prior to the signing of the sales contract. The statement should indicate that the buyer has been made aware of his right to require an inspection and that the cost of any corrections resulting from the inspection is a negotiable item.
- (2) The City shall develop a rental information program and provide apartment owners with appropriate information. The City would spot check to ensure that the information is being passed on to the tenants.

## Cost

The public cost of the pre-sale voluntary inspection program should be financially sustained from fees charged for the requested inspection.

The City would incur a cost to conduct the rental information program. The estimate of yearly cost is not available at this time. It is possible that Federal Community Development Block Grant funds could be used for this purpose.

## Quantifiable Objectives

The number of units inspected under the pre-sale program would depend upon how many buyers request such an inspection. The Northern Solano County Board of Realtors estimates, however, in a document entitled, "1979 Comparable Listings" that from March, 1978 to March, 1979, 600 single-family re-sale dwelling units were sold locally.

## Policy 7: Housing Counseling

The City shall continue to provide housing counseling to Fairfield residents.

### Objectives

1. To ensure against the loss of homeownership, principally for persons of low and moderate income.
2. To prevent discrimination in the sale and/or rental of housing.
3. To provide counseling to homeowners and renters with a range of housing problems.

### Need

The City of Fairfield currently has no policy statement or active program to promote fair housing in rental and owned housing units. Although there is a very low incidence of discrimination in the sale of housing, the City does receive calls from renters who believe they are being discriminated against.

The City's Housing Authority has over 400 families on a waiting list for subsidized housing. In the Section 8 program and occasionally in the Section 23 program, tenants must locate their own housing. Based on Housing Authority experience with the process of securing units, there are many low-income families who have difficulty securing rental units.

Mortgage default counseling is available in Fairfield only on a limited basis. There is a considerable percentage of families in low and moderate income range who experience difficulty in meeting their mortgage payment responsibilities and could consequently lose their homes.

#### Description

Housing counseling services would assist Fairfield residents in the following areas: fair housing and discrimination, rental referral and subsidy programs, tenant/landlord relations, home-ownership pre-purchase and post-occupancy, mortgage default and family financial management.

#### Implementation

- (1) The City shall maintain a contractual agreement with a HUD certified housing counseling agency for the delivery of these services.
- (2) A citizen advisory committee shall be formed to assist the Housing Counseling Agency. It shall make recommendations regarding fair housing and other housing matters to said agency and shall monitor and evaluate agency programs.

#### Cost

The cost of contracting for one counselor in Fairfield, two days a week, would be approximately \$12,000 per year. These services could be doubled for approximately \$19,000. If the City were to provide the services with in-house staff, the cost would be considerably more. Housing counseling services are an eligible Community Development Block Grant expense.

### Timing

The program is already ongoing and should be supported in the future.

### Quantifiable Objectives

The provision of housing counseling services to over 200 Fairfield families a year.

### Variation/Emphasis

Housing counseling services would complement homeownership and rental subsidy programs. Counseling would be provided primarily to persons of low and moderate income.

### Policy 8: Housing Development Fund

The Housing Authority, in conjunction with the Redevelopment Agency, shall establish a housing development fund to assist the development of housing units for low and moderate income families.

### Objectives

1. To lower the cost of housing for low and moderate income people.
2. To increase the supply of rental housing.



## Need

Several factors have made it difficult for a developer to put together a financially feasible project for development of apartments. Land prices have escalated greatly. Construction costs have increased. Market rents are below the level necessary to "break even". Private lenders are reluctant to finance high percentages of the cost of development. Interest rates fluctuate and are sometimes quite high. All these factors combine to lower the amount of apartment development and contribute to apartment scarcity.

## Description

The Housing Authority (using Community Development and other funds) and the Redevelopment Agency should contribute to a housing development fund that (1) procures and banks land for future use by private developers; (2) offers second mortgage financing for development of apartments at favorable terms and conditions; (3) provides grants where appropriate to assist in making apartment development feasible; (4) subsidizes single-family housing where appropriate.

## Implementation

- (1) The Housing Authority shall request developers to propose projects for housing development assistance.
- (2) The Housing Authority shall ensure that where land, loans, or grants are made available through the program, that the developers will rent units below the prevailing rate for other new rental units.

## Cost

A fund would have to be established. The source would be Community Development or Redevelopment funds. A level of \$150,000 a year would be desirable. Staff time would also be required, but should not be extensive. In addition, the Redevelopment Agency will have funds earmarked for housing assistance from new redevelopment project areas.

## Timing

Start in fiscal year 1979-1980.

## Quantifiable Objectives

Depends upon level of subsidy.

## Policy 9: Section 8 Rental Subsidy

The Housing Authority and City shall continue to enable Fairfield residents to benefit from the Section 8 Housing Program.

## Objectives

1. To lower cost of housing for low income people.
2. To increase supply of subsidized rental units for low income people.

## Need

Seventeen percent of the households in Fairfield cannot afford to rent decent housing. Rents are increasing faster than income. Between 1975 and 1978, rents increased 38% and income increased 17.6 percent. In addition, few new rental units have been constructed in the past several years because prevailing market rents on new apartments are too low to cover construction and financing costs. As a result, the vacancy rate has dropped to 1.5%. As Fairfield's industrial and commercial base grows the problem of undersupply of housing for low income people is likely to worsen.

## Description

The Section 8 Program subsidizes low income recipients, reducing their rent to no more than 25% of their net income. The subsidy can apply to existing units, recently constructed units, units being rehabilitated or new construction projects. It can help families, handicapped and elderly. It can apply to apartments, townhouses, duplexes, or single-family dwellings. It can be used with HUD's 202 program, which provides a direct loan for construction and mortgage financing for elderly and handicapped. HUD sponsors the Section 8 program.

## Implementation

- (1) The Housing Authority shall continue to annually apply for its HUD allocation of Section 8 funds for existing and/or recently completed units.

- (2) Since few landlords in Fairfield will participate in the existing program, the City shall encourage private developers to submit proposals to HUD to qualify for the rent subsidy for newly constructed rental units.
- (3) To avoid concentrating subsidized units in new apartment complexes, the City shall make financial or other assistance available to developers to allow them to offer unsubsidized units.
- (4) The City shall encourage subdividers to use Section 8 subsidies on a scattered site basis to further integrate low income families into the community.
- (5) The Housing Authority shall apply for subsidies on rehabilitated units, in conjunction with other rehabilitation efforts, as appropriate.

#### Cost

The Housing Authority receives a fee from HUD for qualifying applicants and reviewing rent subsidy levels of existing units in the program. For new construction, the developer performs this function, unless he contracts with the Housing Authority and pays a fee. Consequently, the costs of administering Section 8 subsidies would be covered by revenues.

#### Timing

Immediate. The City and Housing Authority already participate in the program and this recommendation increases involvement.



## Quantifiable Objectives

1979/80 - 35 units existing  
70 units new  
48 units moderate rehabilitation

1980/81 - 35 units existing  
0 units new  
15 units moderate rehabilitation

1981/82 - 35 units existing  
70 units new  
50 units moderate rehabilitation

1982/85 - 35 units existing  
70 units new  
50 units moderate rehabilitation

## Policy 10: Condominium Conversions

The City shall permit condominium conversions to take place only when it can be found that such conversions will not create a shortage of rental housing available to low and moderate income people, or have other negative impacts on rental housing. The City shall require that sellers of condominium conversions assist and protect the rights of both existing tenants and new buyers.

## Objectives

1. To retain the supply of units, whether rental or owner-occupied, available to low and moderate income people.

## Need

Condominium conversions have become widespread throughout the nation in recent years. In many instances, they have displaced renters, particularly the elderly, who are then unable to obtain other affordable, decent housing, or they have resulted in much higher rents for the same units when they are purchased by investors who rereant them to the same tenants. In some cases, condominium conversions have also been a means of enabling low and moderate income families to purchase their own homes. This policy establishes the ground work for regulating conversions when they occur in Fairfield.

## Description

City planning staff would review requests for condominium conversions in order to determine the impact conversion would have on the resident of the unit and on the rental and home ownership market. Such factors as the vacancy rate, demand and cost of rental housing, the amount of newly constructed rental units soon to be available, the percentage of existing tenants favoring conversions, the relocation prospects of tenants who would move, the proposed sales price, and proposed restrictions to limit occupancy to owners would be taken into consideration.

## Implementation

The City shall adopt an ordinance under which conversions will be permitted or denied in order to achieve the goal of retaining an adequate supply of units for low and moderate income families. The ordinance shall also establish requirements to protect the rights of renters and buyers.

#### Cost

Processing of requests would be self-supporting by charging a fee to defer costs.

#### Timing

An ordinance should be adopted within the next year.

#### Quantifiable Objectives

This policy is not amenable to numerical objectives.

# **APPENDIX A**

## **METHODOLOGY FOR DETERMINING FUTURE HOUSING NEED AND FAIR SHARE ALLOCATION**



## ESTIMATING FUTURE HOUSING NEED

The following methodology is drawn from the Housing Element Manual, Department of Housing and Community Development, March, 1978:

### 1. Projected Households 1985

Projected Population 69,432

Projected Group Population\* - 4,307

65,125

\*Use 1% of total same as 1975 Census = 710 plus 1979 group population at TAFB = 3597

Projected population/household of 3.02.

Projected Households = 65,125 = 21,564

3.02

### 2. Needed Units by 1985

$$\begin{array}{rcl} (\text{OH. } \underline{\underline{1}}) & + & (\text{RH. } \underline{\underline{1}}) \\ (\text{1-V/S}) & & (\text{1-V/R}) \end{array} \quad \underline{\underline{1}} \quad \underline{\underline{1-OV}}$$

OH = Owner households

RH = Renter households

OH = 1975 homeownership rate of 57.4% (21,564) = 12,378

RH = 1975 renter rate of 42.6% (21,564) = 9,186

V/S = Desired owner vacancy rate = 2%

V/R = Desired rental vacancy rate = 6%

O/V = Other vacant rate from 1970 U.S. Census = 1.4%

$(12,378 \cdot \frac{1}{0.98}) + (9,186 \cdot \frac{1}{0.94}) \cdot \frac{1}{0.99} = 22,629$  total units  
projected for 1985

22,629 (Projected units in 1985) - 14,675 (Existing units in 1977) = 7,954

7,954 units of new construction needed

7,954/7 = 1,136 per year to 1985

10 units/year removed from stock from 1970-1975. (Does not include 264 mobile homes removed.) 70 units will be removed 1978-1985.

7,954 new construction  
+ 70 replacement  
8,024 total units needed by 1985

8,022/7 = 1,146 total units/year

## FAIR SHARE ALLOCATION

The following methodology was used to identify unmet housing need to the year 1985.

$$\begin{array}{rclclcl} \text{Formula:} & 32.5\% & - & 11\% & = & 21.5\% \\ & (\text{fair share}) & & (\text{met need}) & & (\text{unmet need}) \end{array}$$

$$\begin{array}{rclclcl} & 21.5\% & \times & 21,564 & = & 4,636 \\ & (\text{unmet need}) & & (\# \text{ households } 1985) & & (1985 \text{ unmet} \\ & & & & & \text{household need}) \end{array}$$

$$\begin{array}{l} 4,636 \div 7 = 662 \text{ households per year} \\ 32.5\% = \% \text{ Solano County low moderate income} \end{array}$$

$$\begin{array}{l} 11\% = \text{met need} - 34\% - 23\% = 11\% \\ 34\% = \% \text{ low and moderate income} \end{array}$$

households in Fairfield (1975)  
23% = % households in need (1978 Housing Assistance Plan)  
21,564 = Projected households 1985

$$\begin{array}{rclcl} 65,125 & \div & 3.02 & = & 21,564 \\ (1985 \text{ projected population}) & & & & (1985 \text{ projected persons per} \\ & & & & \text{household}) \end{array}$$

## FOOTNOTES

1. Identification of these historical resources appear in the General Plan EIR/Environmental Assessment pp. 55-59.
2. A Federal program through which funds are made available to Fairfield for improving neighborhoods and eliminating blight.
3. Northern California Real Estate Report, October, 1977, Vol. 29/No. 4.
4. The prime rate is the interest rate the preferred (least risk) borrowers receive from the banks. It is generally 1-2% less than the interest rate granted to the average builder or home purchaser.
5. Assumes 22 employees per acre  
Source: 10th Progress Report on Trip Ends Generation Research Counts, Caltrans District 4, July, 1975.
6. Assumes one employee per 300 to 600 sq. ft. (780,000 sq. ft. of commercial floor space)  
Source: Economic Practices Manual, California Office of Planning and Research, 1978.
7. Assumes 3.5 to 4.5 employees/1,000 sq. ft. of building  
Source: Economic Practices Manual, California Office of Planning and Research, 1978.
8. Envista, 1976. Based on a survey done in the Los Angeles area.
9. Based on regional averages for non-market rate households.



## **APPENDIX B**

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